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*Attorneys for Defendant*  
CashCall, Inc.

UNITED STATES DISTRICT COURT  
NORTHERN DISTRICT OF CALIFORNIA

KRISTA O'DONOVAN and EDUARDO  
DE LA TORRE, individually and on behalf  
of all others similarly situated,

Plaintiff,

vs.

CASHCALL, INC., a California  
corporation, and DOES 1 through DOE 50,  
inclusive,

Defendants.

Case No. C 08-03174 MEJ

**DECLARATION OF DANIEL H. BAREN  
IN SUPPORT OF CASHCALL, INC.'S  
MOTION FOR SUMMARY JUDGMENT  
ON THE UNCONSCIONABILITY CLAIM**

[Filed Concurrently with:

- (1) Motion for Summary Judgment;
- (2) Separate Statement of Facts
- (3) Declaration of John Fuller;
- (4) Declaration of Hilary Holland;
- (5) Declaration of Delbert O. Meeks
- (6) Declaration of Ethan Post;
- (7) Declaration of Brad W. Seiling;
- (8) Request for Judicial Notice;
- (9) Notice of Lodging]

Date: November 21, 2013  
Time: 10:00 a.m.  
Place: Courtroom B

Judge: Hon. Maria-Elena James

**DECLARATION OF DANIEL H. BAREN**

I, Daniel H. Baren, declare and state as follows:

1. I am an attorney licensed to practice in the State of California and am the General Counsel for CashCall, Inc. ("CashCall"). I have been CashCall's primary legal counsel since its founding in 2003. I have personal, first-hand knowledge of the matters stated herein, and, if called upon to do so, I could and would competently testify thereto.

2. CashCall is a finance company licensed by the California Department of Business Oversight, formerly known as the Department of Corporations ("Department"). The loan amounts offered by CashCall have ranged from \$2,600 to \$25,000. During the Class period, the interest rates for these loans ranged from 35.9% for the \$25,000 loan to 135.0% for the \$2,600 loan.

3. As a condition of its licensing, CashCall is subject to extensive regulation, investigations and audits by the Department. As part of that regulation, CashCall is required to file detailed annual reports with the Department in which CashCall must disclose, among other things, the total number of loans originated in the prior year, broken down by the principal amount of the loans and the range of annual percentage rates ("APR"s) charged on the loans. (An APR includes the interest rate charged on the loan as well as any fees or additional costs associated with the loan.) The Department has created a form for licensed finance lenders to use for their annual reports (Form CFL 812). Since 2005, the Department's own annual report form has included a blank for licensees to list all loans made with an APR of "100 or More."

4. Since 2004, I have supervised the preparation of CashCall's annual reports to be filed with the Department. The annual reports typically must be filed in March of the year following the reported year. For example, the annual report for 2005 would be filed in March 2006. CashCall's audited financial statements typically are not completed by March, so in preparing the annual reports for the Department, we use information available at the time the reports are prepared. As a result, there may be differences between the information on the annual reports filed with the Department and the audited financial statements.

1           5.       Attached hereto as Exhibit A is a true and correct copy of CashCall's annual report  
2 to the Department for 2004. Among other things, CashCall disclosed to the Department that it  
3 had made 4,315 loans with APRs above 40% in 2004. That was the highest APR range listed on  
4 the Department's annual report form for 2004.

5           6.       Attached hereto as Exhibit B is a true and correct copy of CashCall's annual report  
6 for 2005. Among other things, CashCall disclosed to the Department that it had made 48,202  
7 loans with APRs from 40-99% in 2005. CashCall did not make any loans with APRs above  
8 100%, which was the highest APR listed on the Department's form in 2005.

9           7.       Attached hereto as Exhibit C is a true and correct copy of CashCall's annual report  
10 for 2006. Among other things, CashCall disclosed to the Department that it had made 58,199  
11 loans with APRs from 40-99% in 2006. CashCall did not make any loans with APRs above  
12 100%, which was the highest APR listed on the Department's form in 2006.

13           8.       Attached hereto as Exhibit D is a true and correct copy of CashCall's annual report  
14 for 2007. Among other things, CashCall disclosed to the Department that it had made 22,288  
15 loans with APRs from 40-99% in 2007. CashCall did not make any loans with APRs above  
16 100%, which was the highest APR listed on the Department's form in 2007.

17           9.       Attached hereto as Exhibit E is a true and correct copy of CashCall's annual report  
18 for 2008. Among other things, CashCall disclosed to the Department that it had made 6,163 loans  
19 with APRs from 40-99% in 2008. CashCall did not make any loans with APRs above 100%,  
20 which was the highest APR listed on the Department's form in 2008.

21           10.      Attached hereto as Exhibit F is a true and correct copy of CashCall's annual report  
22 for 2009. Among other things, CashCall disclosed to the Department that it had made 1,592 loans  
23 with APRs from 40-99% in 2009, and 1,799 loans with APRs above 100%, which was the highest  
24 APR listed on the Department's form in 2009.

25           11.      Attached hereto as Exhibit G is a true and correct copy of CashCall's annual report  
26 for 2010. Among other things, CashCall disclosed to the Department that it had made 19,477  
27 loans with APRs above 100%, which was the highest APR listed on the Department's form in  
28 2010.

12. Attached hereto as Exhibit H is a true and correct copy of CashCall's annual report for 2011. Among other things, CashCall disclosed to the Department that it had made 17,404 loans with APRs above 100%, which was the highest APR listed on the Department's form in 2011.

13. As part of its licensing and regulatory authority, the Department has the right to conduct regular audits of all aspects of CashCall's business, and the Department did so in 2004, 2007 and 2010. During each of these audits, Department multiple personnel came onsite to CashCall's offices and reviewed actual borrower loan files and other information they requested. Among other things, the Department reviewed several hundred loan files from the first call through collections, borrower servicing logs and payment ledgers, and all documentation between the parties, including the promissory note, collection letters, modification agreements, e-mails and faxes. The audits were extended processes that often took months to complete before the Department would issue its report.

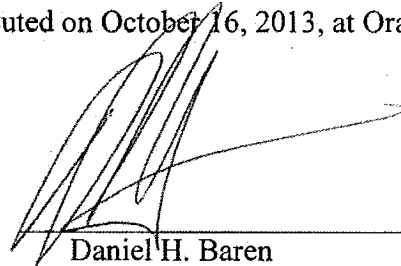
14. Attached hereto as Exhibit I is a true and correct copy of the Department's audit report from 2004. One issue identified in the report was a concern that CashCall was making loans of less than \$2,500 at interest rates above the caps set by the California Finance Lenders Law (FLL). The Department took the position that a loan of \$2,500 with an origination fee of \$75 was actually a loan of less than \$2,500 and therefore subject to the FLL's caps. CashCall settled this issue with the Department. The 2004 audit shows that the Department closely monitored the provisions of the FLL that dictate the appropriate charges and interest rates on loans originated by licensed finance lenders.

15. Attached hereto as Exhibit J is a true and correct copy of the Department's audit report from 2007. The 2007 audit was a "clean audit," which identified no issues. In 2007, CashCall was making \$2,600 loans with interest rates of 96%. These loans represented 22,288 of the 38,390 loans CashCall originated in 2007. The Department made no comment about the fact that CashCall was originating loans with a 96% interest rate.

16. Attached hereto as Exhibit K is a true and correct copy of the Department's 2010 audit report. The report notes one issue with respect to CashCall's disclosures on mortgage loans.

1 The Department has subsequently withdrawn that issue after CashCall provided additional  
2 information and explanation. The 2010 audit also noted one issue regarding CashCall's consumer  
3 lending business. In particular, the Department took the position that because certain borrowers  
4 made substantial principal payments within 14 days of funding, those loans were effectively for  
5 less than \$2,500 and thus were subject to the FLL's interest rate caps on loans of less than \$2,500.  
6 CashCall disagrees with the Department's interpretation of this law, and CashCall has submitted a  
7 detailed response to the Department. As of the date of this declaration, this issue remains open.  
8 Even though CashCall disagrees with the Department's position, this audit shows that the  
9 Department closely monitors CashCall's operations and will raise issues when it believes  
10 CashCall has violated the FLL. All of the loans CashCall originated in California in 2010 had  
11 APRs above 100%. The Department did not raise any issue in its 2010 audit report about  
12 CashCall's interest rates.

13 I declare under penalty of perjury under the laws of the United States that the foregoing is  
14 true and correct, and that this declaration was executed on October 16, 2013, at Orange,  
15 California.

  
Daniel H. Baren

202195961.4

# EXHIBIT A

STATE OF CALIFORNIA -- BUSINESS, TRADING, TRANSPORTATION AND HOUSING AGENCY

ARNOLD SCHWARZENEGGER Governor

## DEPARTMENT OF CORPORATIONS

PLEASE READ THE ATTACHED INSTRUCTIONS CAREFULLY BEFORE COMPLETING THIS REPORT. All licensees must complete the report even if no business was conducted. See INSTRUCTIONS if no business was conducted.

RECEIVED

FEB 22 2005

Department of Corporations  
Los Angeles

To: COMMISSIONER OF CORPORATIONS, STATE OF CALIFORNIA

ANNUAL REPORT  
LICENSEES ENGAGED IN BUSINESS UNDER THE  
CALIFORNIA FINANCE LENDERS LAW  
(Finance Lender and Broker)  
For the Year Ended December 31, 2004

SCHEDULE A  
GENERAL INFORMATION

1. Name of Licensee (as shown on the license)  
and Address of Main Office:

603-8780 CFL 1  
CASHCALL, INC.  
1920 MAIN STREET, SUITE 400  
IRVINE, CA 92614

2. Business Phone No.: ( 949 ) 752-4600 Fax No.: ( 949 ) 225-4600

Website Address: cashcall.com

3. Have you moved your business location or desire to change the address of your business in the near future?  
YES [ ] NO [ X ] (CHECK ONE)

If yes, complete the following:

## NOTICE OF CHANGE OF ADDRESS:

New Address: \_\_\_\_\_

New Business Phone No.: ( \_\_\_\_\_ ) \_\_\_\_\_

Effective Date of Move: \_\_\_\_\_

Signature \_\_\_\_\_

Name and Title (Please type or print) \_\_\_\_\_

(The signature must be that of an authorized person, such as an officer, employee designated to handle licensing matters, a partner, or a sole proprietor.)



SCHEDULE A  
(Continuation)  
GENERAL INFORMATION

4. Office Hours: 8 a.m. - 5 p.m.

5. License Number for Main Office: 603-8780

*(If the report covers more than one location, the license number and address of each location must be listed on a separate schedule attached to this report.)*

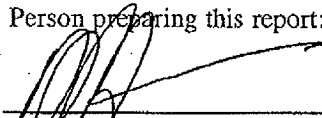
**CAUTION: THE REPORT WILL BE RETURNED IF THIS SCHEDULE IS NOT COMPLETED**

6. Licensed Authority:    A. ☒ Lender Only  
                                  B. ☐ Lender and Broker  
                                  C. ☐ Broker Only

7. Total number of licenses held at December 31, 2004: 1

8. Type of Organization:    ☒ Corporation  
                                  ☐ Partnership  
                                  ☐ Individual  
                                  ☐ Other (specify) \_\_\_\_\_

9. Person preparing this report:

  
\_\_\_\_\_  
Signature

Daniel Baren, General Counsel  
Name & Title (Please type or print)

Phone No.: ( 949 ) 752-4605

Fax No.: ( 949 ) 225-4605



## VERIFICATION

STATE OF California )  
 ) SS.  
 COUNTY OF Orange )

I, the undersigned, state: That I am an officer or general partner or the sole proprietor or have a position of similar proprietary interest of  
*(Insert name as shown on your license)*

CashCall, Inc.

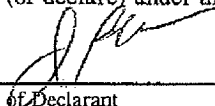
and I have read and signed this report and the documents filed herewith and know the contents thereof. I certify that the financial statements contained therein were prepared in conformity with generally accepted accounting principles consistently applied, and the statistical information supplied is to the best of my knowledge true and exact.

*Complete Section (A) OR Section (B) as appropriate.*

**(A) IF LOCATED IN CALIFORNIA OR A STATE WHICH PERMITS A DECLARATION UNDER PENALTY OF PERJURY, COMPLETE THIS SECTION. NOTARIZATION IS NOT NECESSARY.**

Date February 17, 2005 at Irvine, CA  
 (Month / Day) (Year) (City) (State)

I certify (or declare) under the penalty of perjury that the foregoing is true and correct.

  
 Signature of Declarant

J. Paul Reddam, President

Name and Title (Please type or print)

**(B) IF LOCATED OUTSIDE CALIFORNIA AND IN A STATE WHICH DOES NOT PERMIT A DECLARATION UNDER PENALTY OF PERJURY, COMPLETE THIS SECTION. NOTARIZATION IS REQUIRED.**

Date \_\_\_\_\_, \_\_\_\_\_  
 (Month / Day) (Year)

at \_\_\_\_\_  
 (City)  
 \_\_\_\_\_  
 (State)

Signature of Affiant

\_\_\_\_\_  
 Name and Title (Please type or print)

Subscribed and sworn to before me on

(SEAL)

\_\_\_\_\_, \_\_\_\_\_  
 (Month / Day) (Year)

(Year)

\_\_\_\_\_  
 Notary Public in and for said County and State

## TABLE OF SCHEDULES TO BE COMPLETED

The schedules in this report must be completed in accordance with the following licensing authority and instructions under the California Finance Lenders Law (CFL):

A. If you are licensed as a **CFL LENDER**, the following schedules must be completed:

SCHEDULE	PAGE	SCHEDULE	PAGE
A	1 & 2	E	13
VERIFICATION	3	F	14 & 15
B-1	5 & 6	G	16, 17, & 18
B-1(a)	7	H	19
B-2	8	I	20
C-1	9	J	21 & 22
C-2	10	K	23 & 24
C-3	11		

B. If you are licensed as a **CFL BROKER**, the following schedules must be completed:

SCHEDULE	PAGE	SCHEDULE	PAGE
A	1 & 2	C-2	10
VERIFICATION	3	C-3	11
B-1	5 & 6	D	12
B-1(a)	7	J	21 & 22
B-2	8	K	23 & 24
C-1	9		

*\* If you are licensed as a CFL Broker only, discard Pages 13 through 20.*

C. If you are authorized to act as a **CFL LENDER and BROKER**, all schedules must be completed.

D. If any schedule is inapplicable, note "N/A" at the top of the schedule.

E. The verification on Page 3 must be completed on all reports.

**UNSIGNED OR INCOMPLETE VERIFICATION WILL NOT BE ACCEPTED.**

F. If no business was conducted under the license(s) during the calendar year 2004, only pages 1 through 11, 23 and 24 need to be completed. The remaining pages need not be submitted. "No business" means no loan was made, refinanced, or brokered in 2004, and no loan payment or broker fee was received in 2004. Also a statement must be completed at the bottom of the page 3 VERIFICATION stating that "No business was conducted under the license(s) during the calendar year 2004."

G. Your annual assessment is based on the gross income reported from activities conducted under your California Finance Lenders Law (Schedule C-1, Statement of Income and Expense, Page 9, Line 1). Income earned from other state or federal licenses, activities not requiring a license, or activities conducted pursuant to licenses of other agencies should be reported on Schedule C-1, Page 9, Line 2.

H. For the purposes of completing the 2004 Annual Report, all income derived from loans originated under the Personal Property Broker, Consumer Finance Lender, and/or Commercial Finance Lender Laws should be treated as income earned under the California Finance Lenders Law.

**SCHEDULE C-1**  
**STATEMENT OF INCOME AND EXPENSES**  
**FOR CALENDAR YEAR 2004**  
(Round to Nearest Dollar - Omit Cents)

**INCOME**

1. Gross Income from CFL Loans and CFL Brokered Loans (from Schedule C-2, line 16) . <b>REPORT ONLY CFL GROSS INCOME ON THIS LINE</b> . . . . .	\$ 20,514,258
2. Gross Income from All Other Business and Sources (from Schedule C-3, line 7) . . . . .	63,815
3. <b>Total Gross Income</b> (sum of lines 1 and 2) . . . . .	<u>\$ 20,578,073</u>

**EXPENSES**

4. Advertising and Promotion . . . . .	\$ 4,690,663
5. Professional Audit and Accounting Services . . . . .	32,338
6. Insurance and Bond Premiums . . . . .	7,684
7. Legal Services and Expenses . . . . .	312,085
8. Occupancy Expenses . . . . .	414,185
9. Provision for Bad Debt Allowance . . . . .	8,942,642
10. Salaries and Bonuses: Employees . . . . .	5,333,312
11. Salaries and Bonuses: Owners, Partners, Executives . . . . .	-0-
12. Depreciation . . . . .	464,644
13. License Fees and Taxes . . . . .	19,139
14. Telephone and Utilities . . . . .	143,194
15. Travel . . . . .	6,741
16. Other Expenses . . . . .	2,153,806
17. <b>Total Expenses before Interest and Income Taxes</b> (sum of lines 4 thru 16) . . . . .	<u>\$ 22,520,433</u>
18. <b>Income or (loss) before Interest and Income Taxes</b> (line 3 less line 17) . . . . .	<u>\$ (1,942,360)</u>
19. Interest Paid to Bona Fide Third Parties . . . . .	827,542
20. Interest Paid to Parent Company and Affiliates . . . . .	1,002,798
21. <b>Income or (Loss) before Income Taxes</b> (subtract lines 19 and 20 from line 18) . . . . .	<u>\$ (3,772,700)</u>
22. Provision for Income Taxes . . . . .	-0-
23. <b>Net Income or (Loss)</b> (line 21 less line 22) . (A) . . . . .	<u>\$ (3,772,700)</u>

**NOTE:** (A) If the licensee is incorporated, NET INCOME OR LOSS balance must agree with Schedule B-1(a), line 8.

**SCHEDULE C-2**  
**ANALYSIS OF INCOME RECEIVED FROM CFL LENDERS AND BROKERS LOANS**  
**FOR CALENDAR YEAR 2004**  
(Round to Nearest Dollar - Omit Cents)

	Loans Under \$2,500 (Column 1)	Loans of \$2,500 & Over (Column 2)	Total (Column 3)
<b><u>CFL LENDERS AND BROKERS LOANS:</u></b>			
<b><u>CONSUMER LOANS:</u></b>			
1. Charges Earned or Collected from loans .....	\$ -0-	\$ 19,630,246	\$ 19,630,246
2. Collection from Charged Off Accounts .	-0-	-0-	-0-
3. Income from Credit Insurance .....	-0-	-0-	-0-
4. Other Insurance Commissions .....	-0-	-0-	-0-
5. Administrative Fees (Loan Fees Charged by Lenders) .....	-0-	884,012	884,012
6. Commissions from Brokering CFL Consumer Loans (from Schedule D, line 8) .....	-0-	-0-	-0-
7. Other income .....	-0-	-0-	-0-
8. <b>Total Consumer Loans Income</b> (sum of lines 1 thru 7) .....	\$ -0-	\$ 20,514,258	\$ 20,514,258

**COMMERCIAL LOANS:**

9. Charges Earned or Collected from Loans .....	\$ -0-
10. Collection from Charged Off Accounts .....	-0-
11. Income from Credit Insurance .....	-0-
12. Other Insurance Commissions .....	-0-
13. Commissions from Brokering CFL Commercial Loans (from Schedule D, line 13) .....	-0-
14. Other Income .....	-0-
15. <b>Total Commercial Loan Income</b> (sum of lines 9 thru 14) .....	\$ -0-
16. <b>Total Gross Income from CFL Loans and CFL Brokered Loans</b> (sum of lines 8 Column 3 & 15 and must equal Schedule C-1, line 1) .....	\$ 20,514,258

**CAUTION:** The income reported on lines 1 through 16 is for income relating to your California Finance Lender license. It may include income attributable to loans made under the Personal Property Broker, Consumer Finance Lender, and Commercial Finance Lender Laws prior to July 1, 1995. It must be accurately reported. The total income reported will be the basis for the computation of your assessment to renew your license(s) for the coming fiscal year. Income not relating to your California Finance Lender license should be reported on Schedule C-3.

**SCHEDULE C-3**  
**ANALYSIS OF INCOME RECEIVED FROM OTHER BUSINESS AND SOURCES**  
**FOR CALENDAR YEAR 2004**  
(Round to Nearest Dollar - Omit Cents)

**ALL OTHER BUSINESS AND SOURCES:**

1. Charges Earned or Collected .....	\$ -0-
2. Other Interest or Return on Investment .....	63,815
3. Collection from Charged Off Accounts .....	-0-
4. Income from Credit Insurance .....	-0-
5. Other Insurance Commissions .....	-0-
6. Other Income (please explain below) .....	-0-
7. Total Income from All Other Business and Sources (sum of lines 1 thru 6 and must equal Schedule C-1, line 2) .....	\$ 63,815

Please describe source of other income for line 6:

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**CAUTION:** Income reported on Lines 1 through 7 is only for income not related to your CFL license with Commissioner of Corporations. Any income earned related to your CFL license with Commissioner of Corporations must be reported on Schedule C-2. For guidelines on classification of receivables and income falling under the jurisdiction of Commissioner of Corporations under the CFL Law, please refer to Schedule C-3 of the attached INSTRUCTIONS.



**SCHEDULE E**  
**CALIFORNIA FINANCE LENDERS**  
**LOANS MADE OR REFINANCED DURING THE YEAR BY SIZE**  
**FOR CALENDAR YEAR 2004**  
(Round to Nearest Dollar - Omit Cents)

**CONSUMER LOANS ONLY**

<u>Loans of</u>	<u>Number of Loans</u>	<u>Principal Amount</u>
1. \$ 499 or Less .....		\$
2. 500 to 1,999 .....		
3. 2,000 to 2,499 .....		
4. 2,500 to 4,999 .....	4,315	\$11,197,700
5. 5,000 to 9,999 .....	4,875	\$24,740,625
6. 10,000 or More .....	3,205	\$32,050,000
7. <b>Total Consumer Loans Made (sum of lines 1 thru 6) . (A)</b> .....	<u>12,395</u>	<u>\$ 67,988,325</u>

**COMMERCIAL LOANS ONLY**

8. \$ 5,000 or More .....	0	\$ 0
9. <b>Total Commercial Loans Made . (B)</b> .....	<u>0</u>	<u>\$ 0</u>
10. <b>Total Loans Made - All Categories (sum of lines 7 and 9) . (C)</b> .....	<u>12,395</u>	<u>\$ 67,988,325</u>

**NOTE:** (A) Totals must equal Schedule F, line 27 and Schedule G, line 40.

(B) Totals must equal Schedule F, line 34 and Schedule G, line 49.

(C) Totals must equal Schedule F, line 35 and Schedule G, line 50.

SCHEDULE F  
 CALIFORNIA FINANCE LENDERS  
 LOANS MADE OR REFINANCED DURING THE YEAR BY TYPE OF SECURITY  
 FOR CALENDAR YEAR 2004  
 (Round to Nearest Dollar - Omit Cents)

CONSUMER LOANS ONLY

Type of Security	Number of Loans	Principal Amount
<u>Loans Under \$2,500</u>		
1. Unsecured .....	0	\$ 0
2. Personal Property (household items) .....	0	0
3. Automobiles and Other Motor Vehicles .....	0	0
4. Wage Assignment .....	0	0
5. Other Security .....	0	0
6. Total Loans Made (sum of lines 1 thru 5) .....	0	\$ 0
<u>Loans \$2,500 to \$4,999</u>		
7. Unsecured .....	4,315	\$ 11,197,700
8. Personal Property (household items) .....	0	0
9. Automobiles and Other Motor Vehicles .....	0	0
10. Wage Assignment .....	0	0
11. Other Security .....	0	0
12. Total Loans Made (sum of lines 7 thru 11) .....	4,315	\$ 11,197,700
<u>Loans \$5,000 to \$9,999</u>		
13. Unsecured .....	4,875	\$ 24,740,625
14. Personal Property (household items) .....	0	0
15. Automobiles and Other Motor Vehicles .....	0	0
16. Wage Assignment .....	0	0
17. Real Property .....	0	0
18. Other Security .....	0	0
19. Total Loans Made (sum of lines 13 thru 18) .....	4,875	\$ 24,740,625



SCHEDULE F  
(Continuation)  
CALIFORNIA FINANCE LENDERS  
LOANS MADE OR REFINANCED DURING THE YEAR BY TYPE OF SECURITY  
FOR CALENDAR YEAR 2004  
(Round to Nearest Dollar - Omit Cents)

CONSUMER LOANS ONLY

Type of Security	Number of Loans	Principal Amount
<b>Loans \$10,000 and Over</b>		
20. Unsecured . . . . .	3,205.00	\$ 32,050,000
21. Personal Property (household items) . . . . .	0	
22. Automobiles and Other Motor Vehicles . . . . .	0	
23. Wage Assignment . . . . .	0	
24. Real Property . . . . .	0	
25. Other Security . . . . .	0	
26. Total Loans Made (sum of lines 20 thru 25) . . . . .	3,205.00	\$ 32,050,000
27. Total Consumer Loans Made (sum of lines 6, 12, 19, & 26) . (A) . . . . .	12,395.00	\$ 67,988,325

COMMERCIAL LOANS ONLY

28. Unsecured . . . . .	0	\$ 0
29. Personal Property . . . . .	0	0
30. Automobiles and Other Motor Vehicles . . . . .	0	0
31. Business Equipment . . . . .	0	0
32. Real Property . . . . .	0	0
33. Other Security . . . . .	0	0
34. Total Commercial Loans Made (sum of lines 28 thru 33) . (B) . . . . .	0	\$ 0
35. Total Loans Made - All Categories (sum of lines 27 and 34) . (C) . . . . .	12,395.00	\$ 67,988,325

NOTE: (A) Totals must equal Schedule E, line 7 and Schedule G, line 40.

(B) Totals must equal Schedule E, line 9 and Schedule G, line 49.

(C) Totals must equal Schedule E, line 10 and Schedule G, line 50.

**SCHEDULE G**  
**CALIFORNIA FINANCE LENDERS**  
**LOANS MADE OR REFINANCED DURING THE YEAR BY RATES CHARGES**  
**FOR CALENDAR YEAR 2004**  
(Round to Nearest Dollar - Omit Cents)

**CONSUMER LOANS ONLY**

<u>Annualized Rate of Charge</u>	<u>Number of Loans</u>	<u>Principal Amount</u>
<b><u>Loans under \$2,500</u></b>		
1. Step Rate: 2.5%, 2%, 1.5%, & 1% Per Month	0	\$ 0
Alternate Rates:		
2. 1.6% Per Month . . . . .	0	0
3. Federal Reserve Bank Rate plus 10% . . . . .	0	0
Other Rates:		
4. Up to 14.999 APR . . . . .	0	0
5. 15.000 to 19.999 APR . . . . .	0	0
6. 20.000 to 24.999 APR . . . . .	0	0
7. 25.000 to 29.999 APR . . . . .	0	0
8. 30.000 to 34.999 APR . . . . .	0	0
9. 35.000 to 39.999 APR . . . . .	0	0
10. 40.000 or More APR . . . . .	0	0
11. Variable Rates Based on Index . . . . .	0	0
12. Total Loans Made (sum of lines 1 thru 11) . . . . .	0	\$ 0
<b><u>Loans \$2,500 to \$4,999</u></b>		
13. Up to 14.999 APR . . . . .	0	\$ 0
14. 15.000 to 19.999 APR . . . . .	0	0
15. 20.000 to 24.999 APR . . . . .	0	0
16. 25.000 to 29.999 APR . . . . .	0	0
17. 30.000 to 34.999 APR . . . . .	0	0
18. 35.000 to 39.999 APR . . . . .	0	0
19. 40.000 or More APR . . . . .	4,315	11,197,700
20. Variable Rates Based on Index . . . . .	0	0
21. Total Loans Made (sum of line 13 thru 20) . . . . .	4,315	\$ 11,197,700

**SCHEDULE G**  
**(Continuation)**  
**CALIFORNIA FINANCE LENDERS**  
**LOANS MADE OR REFINANCED DURING THE YEAR BY RATES CHARGES**  
**FOR CALENDAR YEAR 2004**  
(Round to Nearest Dollar - Omit Cents)

**CONSUMER LOANS ONLY**

<u>Annualized Rate of Charge</u>		<u>Number of Loans</u>	<u>Principal Amount</u>
<b><u>Loans \$5,000 to \$9,999</u></b>			
22. Up to 14.999	APR . . . . .	0	\$
23. 15.000 to 19.999	APR . . . . .	0	
24. 20.000 to 24.999	APR . . . . .	0	
25. 25.000 to 29.999	APR . . . . .	0	
26. 30.000 to 34.999	APR . . . . .	0	
27. 35.000 to 39.999	APR . . . . .	0	
28. 40.000 or More	APR . . . . .	4,875	24,740,625
29. Variable Rates Based on Index . . . . .		0	
30. Total Loans Made (sum of line 22 thru 29) . . . . .		4,875	\$ 24,740,625
<b><u>Loans \$10,000 and Over</u></b>			
31. Up to 14.999	APR . . . . .	0	\$ 0
32. 15.000 to 19.999	APR . . . . .	0	0
33. 20.000 to 24.999	APR . . . . .	93	930,000
34. 25.000 to 29.999	APR . . . . .	31	310,000
35. 30.000 to 34.999	APR . . . . .	483	4,830,000
36. 35.000 to 39.999	APR . . . . .	2,161	21,610,000
37. 40.000 or More	APR . . . . .	437	4,370,000
38. Variable Rates Based on Index . . . . .		0	0
39. Total Loans Made (sum of line 31 thru 38) . . . . .		3,205	\$ 32,050,000
40. Total Consumer Loans Made (sum of lines 12, 21, 30, & 39) . (A) . . . . .		12,395	\$ 67,988,325

**NOTE:** (A) Totals must equal Schedule E, line 7 and Schedule F, line 27.

**SCHEDULE G**  
**(Continuation)**  
**CALIFORNIA FINANCE LENDERS**  
**LOANS MADE OR REFINANCED DURING THE YEAR BY RATES CHARGES**  
**FOR CALENDAR YEAR 2004**  
(Round to Nearest Dollar - Omit Cents)

**COMMERCIAL LOANS ONLY**

<u>Annualized Rate of Charge</u>		<u>Number of Loans</u>	<u>Principal Amount</u>
41. Up to 14.999	APR .....	0	\$ 0.
42. 15.000 to 19.999	APR .....	0	0
43. 20.000 to 24.999	APR .....	0	0
44. 25.000 to 29.999	APR .....	0	0
45. 30.000 to 34.999	APR .....	0	0
46. 35.000 to 39.999	APR .....	0	0
47. 40.000 or More	APR .....	0	0
48. Variable Rates Based on Index .....		0	0
49. Total Commercial Loans Made (sum of lines 41 thru 48) . (B) .....		0	\$ 0
50. Total Loans Made - All Categories (sum of lines 40 & 49) . (C) .....		0	\$ 0

**NOTE:** (B) Totals must equal Schedule E, line 9 and Schedule F, line 34.

(C) Totals must equal Schedule E, line 10 and Schedule F, line 35.

**SCHEDULE H  
CREDIT INSURANCE  
GENERAL INFORMATION**

N/A

1. Give name(s) of insurance company(ies) underwriting your credit insurance.

Name: \_\_\_\_\_

Address: \_\_\_\_\_

2. Is (are) the insurance company(ies) described in Item 1 above a parent corporation, affiliated company, or in any other manner connected with the licensee reporting? Yes [ ] No [ ]

If answer to Item 2 is *Yes*, please explain:

\_\_\_\_\_

3. Credit insurance premiums charged per year per hundred dollars of initial indebtedness:

Single Premium	Credit Life	Joint Coverage
\$ _____	Personal Property	\$ _____
\$ _____	Real Property	\$ _____
	Credit Disability	
\$ _____	Personal Property	\$ _____
\$ _____	Real Property	\$ _____
	Credit Loss-of-Income	
\$ _____	Personal Property	\$ _____
\$ _____	Real Property	\$ _____

4. Is the credit insurance premium deducted from the loan proceeds? Yes [ ] No [ ]

If the answer is *No*, please explain:

\_\_\_\_\_

5. Are the credit insurance premiums that have been collected from the borrowers remitted in total to the carrier? Yes [ ] No [ ]

If the answer is *No*, please explain:

\_\_\_\_\_

6. What is the age limit to qualify for credit insurance?

	Minimum	Maximum
Credit Life	_____	_____
Credit Disability	_____	_____
Credit Loss-of-Income	_____	_____

7. Does the credit disability policy contain a "14-day" non-retroactive provision? Yes [ ] No [ ]

If the answer is *No*, please explain:

\_\_\_\_\_

8. List exclusions from coverage, if any:

\_\_\_\_\_

\_\_\_\_\_

**SCHEDULE I**  
**SALE OF LOANS TO INSTITUTIONAL INVESTORS AND MULTIPLE LENDER LOANS**  
**FOR CALENDAR YEAR 2004**

(Round to Nearest Dollar - Omit Cents)

1. Loans Sold (Pursuant to Sections 22340, 22340.1, 22600 and 22600.1 Financial Code):

Report only those loans originated under your California Department of Corporations' CFL license(s), or purchased from an institutional lender, or another licensee pursuant to Division 9 of California Financial Code, and subsequently sold to institutional investors as defined in the California Financial Code.

No. of Loans Sold	Dollar Value of Loans Sold	Dollar Amount of Loans Sold Retained for Servicing	Servicing Fees Earned
0	\$ 0	\$ 0	\$ 0

Are these loans sold to institutional investors?           -          

Did you sell any of those loans to affiliated companies?           -          

Are trust accounts established for those loans serviced?           -          

2. Loans Serviced:

Report all loans you service as of December 31, 2004

Loan Type	Number of Loans	Balance	Servicing Fees Earned
Real Estate Secured	0	\$ 0	\$ 0
Non-Real Estate Secured	16,737	\$ 111,408,325	\$ 0

**SCHEDULE J**  
**OTHER BUSINESS ACTIVITIES AND COVERED LOANS**  
(Round to Nearest Dollar - Omit Cents)

**A. OTHER BUSINESS ACTIVITIES:**

This Schedule is to be completed on *any* activities conducted at the licensed location(s) in addition to the making and/or brokering of loans pursuant to your California Finance Lender licenses.

1. Sale of Insurance Products	Insurer	2004 Revenue
Credit Life Insurance	-	\$ 0
Credit Disability Insurance	-	0
Credit Loss of Income Insurance	-	0
Accidental Death & Dismemberment	-	0
Personal Property Insurance	-	0
Real Estate Loan Insurance	-	0
Others ( <i>auto, whole life, etc.</i> )	-	0

2. OTHER SERVICES PROVIDED (*Examples: loan servicing, leasing, automobile contracts, etc.*)

Description of Services Provided	2004 Revenue	License Authority (If Applicable)
NONE	\$	

3. BUSINESS CONDUCTED PURSUANT TO THE COMMODITY BROKERS LAW OF 1990

(*Example: Sale and/or financing of precious metals or other commodities*)

Describe Activity	2004 Revenue	License Authority (If Applicable)
NONE	\$	

4. OTHER BUSINESS ACTIVITY CONDUCTED AT LICENSED LOCATION *if not included in Parts 1, 2, or 3 above.*

Describe Activity	2004 Revenue	License Authority (If Applicable)
NONE	\$	

5. List any other licenses held by licensee issued by State of California departments or agencies:

Name of License	Name of Agency	License No.
NONE		

**SCHEDULE J**  
**(Continuation)**  
**OTHER BUSINESS ACTIVITIES AND COVERED LOANS**  
(Round to Nearest Dollar - Omit Cents)

**B. COVERED LOANS:**

This section must be completed by those licensees who have the "covered loans" as defined in Section 4970(b)(1) of the Financial Code

Number of Covered Loans	Principal Amount
NONE	\$



# EXHIBIT B

STATE OF CALIFORNIA -- BUSINESS, TRANSPORTATION AND HOUSING AGENCY

ARNOLD SCHWARZENEGGER, Governor

## DEPARTMENT OF CORPORATIONS

PLEASE READ THE ATTACHED INSTRUCTIONS CAREFULLY BEFORE COMPLETING THIS REPORT. All licensees must complete the report even if no business was conducted. See INSTRUCTIONS if no business was conducted.

RECEIVED

MAR 10 2006

Department of Corporations  
Los Angeles

To: COMMISSIONER OF CORPORATIONS, STATE OF CALIFORNIA

ANNUAL REPORT  
LICENSEES ENGAGED IN BUSINESS UNDER THE  
CALIFORNIA FINANCE LENDERS LAW  
(Finance Lender and Broker)  
For the Year Ended December 31, 2005

SCHEDULE A  
GENERAL INFORMATION

1. Name of Licensee (as shown on the license )  
and Address of Main Office:

6038780 CFL 1  
CASHCALL, INC.  
17360 BROOKHURST STREET  
FOUNTAIN VALLEY, CA 92708

2. Business Phone No.: ( 949 ) 752-4600 Fax No.: ( 949 ) 225-4600  
Website Address: www.cashcall.com

3. Have you moved your business location or desire to change the address of your business in the near future?  
YES [ ] NO [ X ] (CHECK ONE)

If yes, complete the following:

## NOTICE OF CHANGE OF ADDRESS:

New Address: \_\_\_\_\_

New Business Phone No.: ( \_\_\_\_\_ ) \_\_\_\_\_

Effective Date of Move: \_\_\_\_\_

Signature \_\_\_\_\_

Name and Title (Please type or print)

(The signature must be that of an authorized person, such as an officer, employee designated to handle licensing matters, a partner, or a sole proprietor.)



**SCHEDULE A**  
**(Continuation)**  
**GENERAL INFORMATION**

4. Office Hours: 7-7

5. License Number for Main Office: 630-8780

*(If the report covers more than one location, the license number and address of each location must be listed on a separate schedule attached to this report.)*

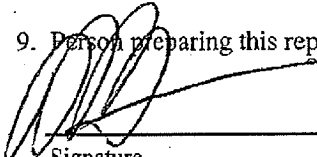
**CAUTION: THE REPORT WILL BE RETURNED IF THIS SCHEDULE IS NOT COMPLETE!**

6. Licensed Authority:    A. ☒ Lender Only  
                                  B. ☐ Lender and Broker  
                                  C. ☐ Broker Only

7. Total number of licenses held at December 31, 2005: 1

8. Type of Organization:    ☒ Corporation  
                                  ☐ Partnership  
                                  ☐ Individual  
                                  ☐ Other (specify) \_\_\_\_\_

9. Person preparing this report:

  
\_\_\_\_\_  
Signature

Daniel Baren, Attorney

\_\_\_\_\_  
Name & Title (Please type or print)

Phone No.: ( 949 ) 752-4605

Fax No.:    ( 949 ) 225-4605

## VERIFICATION

STATE OF \_\_\_\_\_ )  
 ) SS.  
 COUNTY OF \_\_\_\_\_ )

I, the undersigned, state: That I am an officer or general partner or the sole proprietor or have a position of similar proprietary interest of  
 (Insert name as shown on your license )

CashCall, Inc.

and I have read and signed this report and the documents filed herewith and know the contents thereof. I certify that the financial statements contained therein were prepared in conformity with generally accepted accounting principles consistently applied, and the statistical information supplied is to the best of my knowledge true and exact.

Complete Section (A) OR Section (B) as appropriate.

(A) IF LOCATED IN CALIFORNIA OR A STATE WHICH PERMITS A DECLARATION UNDER PENALTY OF PERJURY, COMPLETE THIS SECTION. NOTARIZATION IS NOT NECESSARY.

Date March 9, 2006 at Fountain Valley, CA  
 (Month / Day) (Year) (City) (State)

I certify (or declare) under the penalty of perjury that the foregoing is true and correct.

[Signature]  
 Signature of Declarant

DEBORAH O MEERS, CFO  
 Name and Title (Please type or print)

(B) IF LOCATED OUTSIDE CALIFORNIA AND IN A STATE WHICH DOES NOT PERMIT A DECLARATION UNDER PENALTY OF PERJURY, COMPLETE THIS SECTION. NOTARIZATION IS REQUIRED.

Date \_\_\_\_\_, \_\_\_\_\_  
 (Month / Day) (Year)  
 at \_\_\_\_\_  
 (City)  
 \_\_\_\_\_  
 (State)

Signature of Affiant

\_\_\_\_\_  
 Name and Title (Please type or print)

Subscribed and sworn to before me on

\_\_\_\_\_, \_\_\_\_\_  
 (Month / Day) (Year)

(SEAL)

\_\_\_\_\_  
 Notary Public in and for said County and State

## TABLE OF SCHEDULES TO BE COMPLETED

The schedules in this report must be completed in accordance with the following licensing authority and instructions under the California Finance Lenders Law (CFL):

- A. If you are licensed as a **CFL LENDER**, the following schedules must be completed:

SCHEDULE	PAGE	SCHEDULE	PAGE
A	1 & 2	E	13
VERIFICATION	3	F	14 & 15
B-1	5 & 6	G	16, 17, & 18
B-1(a)	7	H	19
B-2	8	I	20
C-1	9	J	21 & 22
C-2	10	K	23 & 24
C-3	11		

- B. If you are licensed as a **CFL BROKER**, the following schedules must be completed:

SCHEDULE	PAGE	SCHEDULE	PAGE
A	1 & 2	C-2	10
VERIFICATION	3	C-3	11
B-1	5 & 6	D	12
B-1(a)	7	J	21 & 22
B-2	8	K	23 & 24
C-1	9		

*\* If you are licensed as a CFL Broker only, discard Pages 13 through 20.*

- C. If you are authorized to act as a **CFL LENDER and BROKER**, all schedules must be completed.
- D. If any schedule is inapplicable, note "N/A" at the top of the schedule.
- E. The verification on Page 3 must be completed on all reports.  
**UNSIGNED OR INCOMPLETE VERIFICATION WILL NOT BE ACCEPTED.**
- F. If no business was conducted under the license(s) during the calendar year 2005, only pages 1 through 11, 23 and 24 need to be completed. The remaining pages need not be submitted. "No business" means no loan was made, refinanced, or brokered in 2005, and no loan payment or broker fee was received in 2005. Also a statement must be completed at the bottom of the page 3 VERIFICATION stating that "No business was conducted under the license(s) during the calendar year 2005."
- G. Your annual assessment is based on the gross income reported from activities conducted under your California Finance Lenders Law (Schedule C-1, Statement of Income and Expense, Page 9, Line 1). Income earned from other state or federal licenses, activities not requiring a license, or activities conducted pursuant to licenses of other agencies should be reported on Schedule C-1, Page 9, Line 2.
- H. For the purposes of completing the 2005 Annual Report, all income derived from loans originated under the Personal Property Broker, Consumer Finance Lender, and/or Commercial Finance Lender Laws should be treated as income earned under the California Finance Lenders Law.

**SCHEDULE C-1**  
**STATEMENT OF INCOME AND EXPENSES**  
**FOR CALENDAR YEAR 2005**  
(Round to Nearest Dollar - Omit Cents)

**INCOME**

- |  |                      |
|--|----------------------|
| 1. Gross Income from CFL Loans and CFL Brokered Loans (from Schedule C-2, line 16). <b>REPORT ONLY CFL GROSS INCOME ON THIS LINE</b> ..... | \$ <u>68,763,373</u> |
| 2. Gross Income from All Other Business and Sources (from Schedule C-3, line 7) .....  | <u>91,266</u>        |
| 3. Total Gross Income (sum of lines 1 and 2) .....   | \$ <u>68,854,639</u> |

**EXPENSES**

- |  |                      |
|--|----------------------|
| 4. Advertising and Promotion .....   | \$ <u>17,365,271</u> |
| 5. Professional Audit and Accounting Services .....                                    | <u>68,839</u>        |
| 6. Insurance and Bond Premiums .....   | <u>965,789</u>       |
| 7. Legal Services and Expenses .....   | <u>705,517</u>       |
| 8. Occupancy Expenses .....  | <u>1,006,521</u>     |
| 9. Provision for Bad Debt Allowance .....  | <u>6,136,540</u>     |
| 10. Salaries and Bonuses: Employees .....  | <u>16,640,683</u>    |
| 11. Salaries and Bonuses: Owners, Partners, Executives .....                           | <u>581,436</u>       |
| 12. Depreciation .....   | <u>878,312</u>       |
| 13. License Fees and Taxes .....   | <u>27,330</u>        |
| 14. Telephone and Utilities .....  | <u>523,790</u>       |
| 15. Travel .....   | <u>92,590</u>        |
| 16. Other Expenses .....   | <u>6,772,043</u>     |
| 17. Total Expenses before Interest and Income Taxes (sum of lines 4 thru 16) .....     | \$ <u>51,764,661</u> |
| 18. Income or (loss) before Interest and Income Taxes (line 3 less line 17) .....      | \$ <u>17,089,978</u> |
| 19. Interest Paid to Bona Fide Third Parties .....                                     | <u>3,009,946</u>     |
| 20. Interest Paid to Parent Company and Affiliates .....                               | <u>978,678</u>       |
| 21. Income or (Loss) before Income Taxes (subtract lines 19 and 20 from line 18) ..... | \$ <u>13,101,354</u> |
| 22. Provision for Income Taxes .....   | <u>2,798</u>         |
| 23. Net Income or (Loss) (line 21 less line 22) . (A) .....                            | \$ <u>13,098,556</u> |

**NOTE:** (A) If the licensee is incorporated, NET INCOME OR LOSS balance must agree with Schedule B-1(a), line 8.

**SCHEDULE C-2**  
**ANALYSIS OF INCOME RECEIVED FROM CFL LENDERS AND BROKERS LOANS**  
**FOR CALENDAR YEAR 2005**  
(Round to Nearest Dollar - Omit Cents)

	Loans Under \$2,500 (Column 1)	Loans of \$2,500 & Over (Column 2)	Total (Column 3)
<b><u>CFL LENDERS AND BROKERS LOANS:</u></b>			
<b><u>CONSUMER LOANS:</u></b>			
1. Charges Earned or Collected from loans .....	\$ 11,957	\$ 26,576,678	\$ 26,588,635
2. Collection from Charged Off Accounts .....			
3. Income from Credit Insurance .....			
4. Other Insurance Commissions .....			
5. Administrative Fees (Loan Fees Charged by Lenders) .....	9,300	5,499,232	5,508,532
6. Commissions from Brokering CFL Consumer Loans (from Schedule D, line 8) .....			
7. Other income <del>RESIDUAL INTEREST INCOME</del> .....		36,666,206	36,666,206
8. Total Consumer Loans Income (sum of lines 1 thru 7) .....	\$	\$	\$ 68,763,373
<b><u>COMMERCIAL LOANS:</u></b>			
9. Charges Earned or Collected from Loans .....			\$
10. Collection from Charged Off Accounts .....			
11. Income from Credit Insurance .....			
12. Other Insurance Commissions .....			
13. Commissions from Brokering CFL Commercial Loans (from Schedule D, line 13) .....			
14. Other Income .....			
15. Total Commercial Loan Income (sum of lines 9 thru 14) .....			\$ 0
16. Total Gross Income from CFL Loans and CFL Brokered Loans (sum of lines 8 Column 3 & 15 and must equal Schedule C-1, line 1) .....			\$ 68,763,373

**CAUTION:** The income reported on lines 1 through 16 is for income relating to your California Finance Lender license. It may include income attributable to loans made under the Personal Property Broker, Consumer Finance Lender, and Commercial Finance Lender Laws prior to July 1, 1995. It must be accurately reported. The total income reported will be the basis for the computation of your assessment to renew your license(s) for the coming fiscal year. Income not relating to your California Finance Lender license should be reported on Schedule C-3.

**SCHEDULE C-3**  
**ANALYSIS OF INCOME RECEIVED FROM OTHER BUSINESS AND SOURCES**  
**FOR CALENDAR YEAR 2005**  
(Round to Nearest Dollar - Omit Cents)

**ALL OTHER BUSINESS AND SOURCES:**

1. Charges Earned or Collected .....	\$ <u>Ø</u>
2. Other Interest or Return on Investment .....	<u>91,266</u>
3. Collection from Charged Off Accounts .....	<u>Ø</u>
4. Income from Credit Insurance .....	<u>Ø</u>
5. Other Insurance Commissions .....	<u>Ø</u>
6. Other Income (please explain below) .....	<u>Ø</u>
7. Total Income from All Other Business and Sources (sum of lines 1 thru 6 and must equal Schedule C-1, line 2) .....	\$ <u><u>91,266</u></u>

Please describe source of other income for line 6:

---



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**CAUTION:** Income reported on Lines 1 through 7 is only for income not related to your CFL license with Commissioner of Corporations. Any income earned related to your CFL license with Commissioner of Corporations must be reported on Schedule C-2. For guidelines on classification of receivables and income falling under the jurisdiction of Commissioner of Corporations under the CFL Law, please refer to Schedule C-3 of the attached INSTRUCTIONS.



**SCHEDULE C-1**  
**STATEMENT OF INCOME AND EXPENSES**  
**FOR CALENDAR YEAR 2005**  
(Round to Nearest Dollar - Omit Cents)

**INCOME**

1. Gross Income from CFL Loans and CFL Brokered Loans (from Schedule C-2, line 16) . <b>REPORT ONLY CFL GROSS INCOME ON THIS LINE</b> .....	\$ 32,097,167
2. Gross Income from All Other Business and Sources (from Schedule C-3, line 7) .....	36,757,472
3. <b>Total Gross Income</b> (sum of lines 1 and 2) .....	<b>\$ 68,854,639</b>

**EXPENSES**

4. Advertising and Promotion .....	\$ 17,365,271
5. Professional Audit and Accounting Services .....	68,839
6. Insurance and Bond Premiums .....	965,789
7. Legal Services and Expenses .....	705,517
8. Occupancy Expenses .....	1,006,521
9. Provision for Bad Debt Allowance .....	6,136,540
10. Salaries and Bonuses: Employees .....	16,640,683
11. Salaries and Bonuses: Owners, Partners, Executives .....	581,436
12. Depreciation .....	878,312
13. License Fees and Taxes .....	27,330
14. Telephone and Utilities .....	523,790
15. Travel .....	92,590
16. Other Expenses .....	6,772,043
17. <b>Total Expenses before Interest and Income Taxes</b> (sum of lines 4 thru 16) .....	<b>\$ 51,764,661</b>
18. <b>Income or (loss) before Interest and Income Taxes</b> (line 3 less line 17) .....	<b>\$ 17,089,978</b>
19. Interest Paid to Bona Fide Third Parties .....	3,009,946
20. Interest Paid to Parent Company and Affiliates .....	978,678
21. <b>Income or (Loss) before Income Taxes</b> (subtract lines 19 and 20 from line 18) .....	<b>\$ 13,101,354</b>
22. Provision for Income Taxes .....	2,798
23. <b>Net Income or (Loss)</b> (line 21 less line 22) . (A) .....	<b>\$ 13,098,556</b>

**NOTE:** (A) If the licensee is incorporated, NET INCOME OR LOSS balance must agree with Schedule B-1(a), line 8.

**SCHEDULE C-2**  
**ANALYSIS OF INCOME RECEIVED FROM CFL LENDERS AND BROKERS LOANS**  
**FOR CALENDAR YEAR 2005**  
(Round to Nearest Dollar - Omit Cents)

	Loans Under \$2,500 (Column 1)	Loans of \$2,500 & Over (Column 2)	Total (Column 3)
<b><u>CFL LENDERS AND BROKERS LOANS:</u></b>			
<b><u>CONSUMER LOANS:</u></b>			
1. Charges Earned or Collected from loans .....	\$ 11,957	\$ 26,576,678	\$ 26,588,635
2. Collection from Charged Off Accounts .....			
3. Income from Credit Insurance .....			
4. Other Insurance Commissions .....			
5. Administrative Fees (Loan Fees Charged by Lenders) .....	9,300	5,499,232	5,508,532
6. Commissions from Brokering CFL Consumer Loans (from Schedule D, line 8) .....			
7. Other income .....			
8. <b>Total Consumer Loans Income</b> (sum of lines 1 thru 7) .....	<u>\$ 21,257</u>	<u>\$ 32,075,910</u>	<u>\$ 32,097,167</u>
<b><u>COMMERCIAL LOANS:</u></b>			
9. Charges Earned or Collected from Loans .....			\$ 0
10. Collection from Charged Off Accounts .....			0
11. Income from Credit Insurance .....			0
12. Other Insurance Commissions .....			0
13. Commissions from Brokering CFL Commercial Loans (from Schedule D, line 13) .....			0
14. Other Income .....			0
15. <b>Total Commercial Loan Income</b> (sum of lines 9 thru 14) .....			<u>\$ 0</u>
16. <b>Total Gross Income from CFL Loans and CFL Brokered Loans</b> (sum of lines 8 Column 3 & 15 and must equal Schedule C-1, line 1) .....			<u>\$ 32,097,167</u>

**CAUTION:** The income reported on lines 1 through 16 is for income relating to your California Finance Lender license. It may include income attributable to loans made under the Personal Property Broker, Consumer Finance Lender, and Commercial Finance Lender Laws prior to July 1, 1995. It must be accurately reported. The total income reported will be the basis for the computation of your assessment to renew your license(s) for the coming fiscal year. Income not relating to your California Finance Lender license should be reported on Schedule C-3.

**SCHEDULE C-3**  
**ANALYSIS OF INCOME RECEIVED FROM OTHER BUSINESS AND SOURCES**  
**FOR CALENDAR YEAR 2005**  
(Round to Nearest Dollar - Omit Cents)

**ALL OTHER BUSINESS AND SOURCES:**

1. Charges Earned or Collected .....	\$ 0
2. Other Interest or Return on Investment .....	0
3. Collection from Charged Off Accounts .....	0
4. Income from Credit Insurance .....	0
5. Other Insurance Commissions .....	0
6. Other Income ( <i>please explain below</i> ) .....	0
7. Total Income from All Other Business and Sources ( <i>sum of lines 1 thru 6 and must equal Schedule C-1, line 2</i> ) .....	\$ 0

Please describe source of other income for line 6:

---



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**CAUTION:** *Income reported on Lines 1 through 7 is only for income not related to your CFL license with Commissioner of Corporations. Any income earned related to your CFL license with Commissioner of Corporations must be reported on Schedule C-2. For guidelines on classification of receivables and income falling under the jurisdiction of Commissioner of Corporations under the CFL Law, please refer to Schedule C-3 of the attached INSTRUCTIONS.*

**SCHEDULE D**  
**SCHEDULE OF BROKERED LOANS**  
**FOR CALENDAR YEAR 2005**  
(Round to Nearest Dollar - Omit Cents)

**A. SCHEDULE OF CFL BROKERED LOANS** *(This section must be completed by all licensees who have brokered loans to any lender licensed under the California Finance Lenders Law)*

Name of Lender	Lender's License Number	Number of Loans Brokered	Principal Amount of Loans	Amount of Commissions Received
<b>LIST CONSUMER LOANS BROKERED ONLY:</b>				
1. _____	_____	_____	\$ _____	\$ _____
2. _____	_____	_____	_____	_____
3. _____	_____	_____	_____	_____
4. _____	_____	_____	_____	_____
5. _____	_____	_____	_____	_____
6. _____	_____	_____	_____	_____
7. _____	_____	_____	_____	_____
8. Total Consumer Loans Brokered (sum of lines 1 thru 7 and must equal Schedules C-2, line 6, column 3) .....			\$ _____	\$ _____
<b>LIST COMMERCIAL LOANS BROKERED ONLY:</b>				
9. _____	_____	_____	\$ _____	\$ _____
10. _____	_____	_____	_____	_____
11. _____	_____	_____	_____	_____
12. _____	_____	_____	_____	_____
13. Total Commercial Loans Brokered (sum of lines 9 thru 12 and must equal Schedule C-2, line 13) .....			\$ _____	\$ _____
14. Total Loans Brokered (sum of lines 8 and 13) .....			\$ _____	\$ _____

Describe the method of computing commissions and how commissions are paid (i.e., in advance, from loan proceeds, etc.). If commissions are prepaid, describe method of refunding commissions in the event a loan is not funded.

XX

**B. SCHEDULE OF OTHER BROKERED LOANS** *(This section must be completed by all licensees who have brokered loans to any lender not licensed under the California Finance Lenders Law)*

	Total Number of Loans Brokered	Total Principal Amount of Loans Brokered	Total Amount of Commissions Received
<b>TOTALS</b>	_____	\$ _____	\$ _____

State the name of the agency and your broker license number for authority to broker other loans.

**SCHEDULE E**  
**CALIFORNIA FINANCE LENDERS**  
**LOANS MADE OR REFINANCED DURING THE YEAR BY SIZE**  
**FOR CALENDAR YEAR 2005**  
(Round to Nearest Dollar - Omit Cents)

**CONSUMER LOANS ONLY**

<u>Loans of</u>	<u>Number of Loans</u>	<u>Principal Amount</u>
1. \$ 499 or Less .....	-0-	\$
2. 500 to 1,999 .....	-0-	
3. 2,000 to 2,499 .....	-0-	
4. 2,500 to 4,999 .....	48,202	125,325,200
5. 5,000 to 9,999 .....	13,177	66,873,275
6. 10,000 or More .....	8,096	81,760,000
7. <b>Total Consumer Loans Made (sum of lines 1 thru 6) . (A) .....</b>	<b>69,475</b>	<b>\$ 273,958,475</b>

**COMMERCIAL LOANS ONLY**

8. \$ 5,000 or More .....	0	\$ 0
9. <b>Total Commercial Loans Made . (B) .....</b>	<b>0</b>	<b>\$ 0</b>
10. <b>Total Loans Made - All Categories (sum of lines 7 and 9) . (C) .....</b>	<b>69,475</b>	<b>\$ 273,958,475</b>

**NOTE:** (A) Totals must equal Schedule F, line 27 and Schedule G, line 40.

(B) Totals must equal Schedule F, line 34 and Schedule G, line 49.

(C) Totals must equal Schedule F, line 35 and Schedule G, line 50.

**SCHEDULE F**  
**CALIFORNIA FINANCE LENDERS**  
**LOANS MADE OR REFINANCED DURING THE YEAR BY TYPE OF SECURITY**  
**FOR CALENDAR YEAR 2005**  
(Round to Nearest Dollar - Omit Cents)

**CONSUMER LOANS ONLY**

<u>Type of Security</u>	<u>Number of Loans</u>	<u>Principal Amount</u>
<b><u>Loans Under \$2,500</u></b>		
1. Unsecured .....	0	\$ 0
2. Personal Property ( <i>household items</i> ) .....	0	0
3. Automobiles and Other Motor Vehicles .....	0	0
4. Wage Assignment .....	0	0
5. Other Security .....	0	0
6. Total Loans Made ( <i>sum of lines 1 thru 5</i> ) .....	0	\$ 0
<b><u>Loans \$2,500 to \$4,999</u></b>		
7. Unsecured .....	48,202	\$ 125,325,200
8. Personal Property ( <i>household items</i> ) .....	0	0
9. Automobiles and Other Motor Vehicles .....	0	0
10. Wage Assignment .....	0	0
11. Other Security .....	0	0
12. Total Loans Made ( <i>sum of lines 7 thru 11</i> ) .....	48,202	\$ 125,325,200
<b><u>Loans \$5,000 to \$9,999</u></b>		
13. Unsecured .....	13,177	\$ 66,873,275
14. Personal Property ( <i>household items</i> ) .....	0	0
15. Automobiles and Other Motor Vehicles .....	0	0
16. Wage Assignment .....	0	0
17. Real Property .....	0	0
18. Other Security .....	0	0
19. Total Loans Made ( <i>sum of lines 13 thru 18</i> ) .....	13,177	\$ 66,873,275

**SCHEDULE G**  
**CALIFORNIA FINANCE LENDERS**  
**LOANS MADE OR REFINANCED DURING THE YEAR BY RATES CHARGES**  
**FOR CALENDAR YEAR 2005**  
(Round to Nearest Dollar - Omit Cents)

**CONSUMER LOANS ONLY**

	<u>Annualized Rate of Charge</u>	<u>Number of Loans</u>	<u>Principal Amount</u>
<b><u>Loans under \$2,500</u></b>			
1.	Step Rate: 2.5%, 2%, 1.5%, & 1% Per Month	0	\$ 0
	Alternate Rates:	0	0
2.	1.6% Per Month .....		0
3.	Federal Reserve Bank Rate plus 10% .....	0	0
	Other Rates:	0	0
4.	Up to 14.999 APR .....	0	0
5.	15.000 to 19.999 APR .....	0	0
6.	20.000 to 24.999 APR .....	0	0
7.	25.000 to 29.999 APR .....	0	0
8.	30.000 to 34.999 APR .....	0	0
9.	35.000 to 39.999 APR .....	0	0
10.1	40.000 to 99.999 APR .....	0	0
10.2	100.000 or More APR .....	0	0
11.	Variable Rates Based on Index .....	0	0
12.	Total Loans Made (sum of lines 1 thru 11) .....	0	\$ 0
<b><u>Loans \$2,500 to \$4,999</u></b>			
13.	Up to 14.999 APR .....	0	\$ 0
14.	15.000 to 19.999 APR .....	0	0
15.	20.000 to 24.999 APR .....	0	0
16.	25.000 to 29.999 APR .....	0	0
17.	30.000 to 34.999 APR .....	0	0
18.	35.000 to 39.999 APR .....	0	0
19.1	40.000 to 99.999 APR .....	48,202	125,325,200
19.2	100.000 or More APR .....	0	0
20.	Variable Rates Based on Index .....	0	0
21.	Total Loans Made (sum of line 13 thru 20) .....	48,202	\$ 125,325,200

**SCHEDULE F**  
**(Continuation)**  
**CALIFORNIA FINANCE LENDERS**  
**LOANS MADE OR REFINANCED DURING THE YEAR BY TYPE OF SECURITY**  
**FOR CALENDAR YEAR 2005**  
(Round to Nearest Dollar - Omit Cents)

**CONSUMER LOANS ONLY**

<u>Type of Security</u>	<u>Number of Loans</u>	<u>Principal Amount</u>
<b><u>Loans \$10,000 and Over</u></b>		
20. Unsecured .....	8,096	\$ 81,760,000
21. Personal Property (household items) .....	0	0
22. Automobiles and Other Motor Vehicles .....	0	0
23. Wage Assignment .....	0	0
24. Real Property .....	0	0
25. Other Security .....	0	0
26. Total Loans Made (sum of lines 20 thru 25) .....	0	\$ 0
27. Total Consumer Loans Made (sum of lines 6, 12, 19, & 26) . (A) .....	8,096	\$ 81,760,000

**COMMERCIAL LOANS ONLY**

28. Unsecured .....	0	\$ 0
29. Personal Property .....	0	0
30. Automobiles and Other Motor Vehicles .....	0	0
31. Business Equipment .....	0	0
32. Real Property .....	0	0
33. Other Security .....	0	0
34. Total Commercial Loans Made (sum of lines 28 thru 33) . (B) .....	0	\$ 0
35. Total Loans Made - All Categories (sum of lines 27 and 34) . (C) .....	0	\$ 0

**NOTE:** (A) Totals must equal Schedule E, line 7 and Schedule G, line 40.

(B) Totals must equal Schedule E, line 9 and Schedule G, line 49.

(C) Totals must equal Schedule E, line 10 and Schedule G, line 50.



**SCHEDULE G**  
**(Continuation)**  
**CALIFORNIA FINANCE LENDERS**  
**LOANS MADE OR REFINANCED DURING THE YEAR BY RATES CHARGES**  
**FOR CALENDAR YEAR 2005**  
(Round to Nearest Dollar - Omit Cents)

**CONSUMER LOANS ONLY**

	<u>Annualized Rate of Charge</u>	<u>Number of Loans</u>	<u>Principal Amount</u>
<b><u>Loans \$5,000 to \$9,999</u></b>			
22.	Up to 14.999 APR .....	0	\$ 0
23.	15.000 to 19.999 APR .....	0	0
24.	20.000 to 24.999 APR .....	0	0
25.	25.000 to 29.999 APR .....	0	0
26.	30.000 to 34.999 APR .....	0	0
27.	35.000 to 39.999 APR .....	40	20,300
28.1	40.000 to 99.999 APR .....	13,173	66,852,975
28.2	100.000 or More APR .....	0	0
29.	Variable Rates Based on Index .....	0	0
30.	Total Loans Made (sum of line 22 thru 29) ....	13,177	\$ 66,873,275
<b><u>Loans \$10,000 and Over</u></b>			
31.	Up to 14.999 APR .....	0	\$
32.	15.000 to 19.999 APR .....	344	4,240,000
33.	20.000 to 24.999 APR .....	0	0
34.	25.000 to 29.999 APR .....	0	0
35.	30.000 to 34.999 APR .....	415	4,150,000
36.	35.000 to 39.999 APR .....	7,230	72,300,000
37.1	40.000 to 99.999 APR .....	107	1,070,000
37.2	100.000 or More APR .....	0	
38.	Variable Rates Based on Index .....	0	
39.	Total Loans Made (sum of line 31 thru 38) .....	8,096	\$ 81,760,000
40.	Total Consumer Loans Made (sum of lines 12, 21, 30, & 39) . (A) .....	69,475	\$ 273,958,475

**NOTE:** (A) Totals must equal Schedule E, line 7 and Schedule F, line 27.

**SCHEDULE G**  
**(Continuation)**  
**CALIFORNIA FINANCE LENDERS**  
**LOANS MADE OR REFINANCED DURING THE YEAR BY RATES CHARGES**  
**FOR CALENDAR YEAR 2005**  
(Round to Nearest Dollar - Omit Cents)

**COMMERCIAL LOANS ONLY**

	Annualized Rate of Charge	Number of Loans	Principal Amount
41.	Up to 14.999 APR.....	0	\$ 0
42.	15.000 to 19.999 APR.....	0	0
43.	20.000 to 24.999 APR.....	0	0
44.	25.000 to 29.999 APR.....	0	0
45.	30.000 to 34.999 APR.....	0	0
46.	35.000 to 39.999 APR.....	0	0
47.1	40.000 to 99.999 APR.....	0	0
47.2	100.000 or More APR.....	0	0
48.	Variable Rates Based on Index.....	0	0
49.	Total Commercial Loans Made (sum of lines 41 thru 48) . (B) .....	0	\$ 0
50.	Total Loans Made - All Categories (sum of lines 40 & 49) . (C) .....	0	\$ 0

**NOTE : (B)** Totals must equal Schedule E, line 9 and Schedule F, line 34.

**(C)** Totals must equal Schedule E, line 10 and Schedule F, line 35.

**SCHEDULE H  
CREDIT INSURANCE  
GENERAL INFORMATION**

1. Give name(s) of insurance company(ies) underwriting your credit insurance.

Name: \_\_\_\_\_

Address: \_\_\_\_\_

2. Is (are) the insurance company(ies) described in Item 1 above a parent corporation, affiliated company, or in any other manner connected with the licensee reporting: Yes [ ] No [ ]

If answer to Item 2 is *Yes*, please explain:

\_\_\_\_\_

3. Credit insurance premiums charged per year per hundred dollars of initial indebtedness:

Single Premium	Credit Life	Joint Coverage
\$ _____	Personal Property	\$ _____
\$ _____	Real Property	\$ _____
	Credit Disability	
\$ _____	Personal Property	\$ _____
\$ _____	Real Property	\$ _____
	Credit Loss-of-Income	
\$ _____	Personal Property	\$ _____
\$ _____	Real Property	\$ _____

4. Is the credit insurance premium deducted from the loan proceeds? Yes [ ] No [ ]

If the answer is *No*, please explain:

\_\_\_\_\_

5. Are the credit insurance premiums that have been collected from the borrowers remitted in total to the carrier? Yes [ ] No [ ]

If the answer is *No*, please explain:

\_\_\_\_\_

6. What is the age limit to qualify for credit insurance?

	Minimum	Maximum
Credit Life	_____	_____
Credit Disability	_____	_____
Credit Loss-of-Income	_____	_____

7. Does the credit disability policy contain a "14-day" non-retroactive provision? Yes [ ] No [ ]

If the answer is *No*, please explain:

\_\_\_\_\_

8. List exclusions from coverage, if any:

\_\_\_\_\_

\_\_\_\_\_

**SCHEDULE I**  
**SALE OF LOANS TO INSTITUTIONAL INVESTORS AND MULTIPLE LENDER LOANS**  
**FOR CALENDAR YEAR 2005**  
(Round to Nearest Dollar - Omit Cents)

1. Loans Sold (Pursuant to Sections 22340, 22340.1, 22600 and 22600.1 Financial Code):

Report only those loans originated under your California Department of Corporations' CFL license(s), or purchased from an institutional lender, or another licensee pursuant to Division 9 of California Financial Code, and subsequently sold to institutional investors as defined in the California Financial Code.

No. of Loans Sold	Dollar Value of Loans Sold	Dollar Amount of Loans Sold Retained for Servicing	Servicing Fees Earned
	\$	\$	\$

Are these loans sold to institutional investors? \_\_\_\_\_

Did you sell any of those loans to affiliated companies? \_\_\_\_\_

Are trust accounts established for those loans serviced? \_\_\_\_\_

2. Loans Serviced:

Report all loans you service as of December 31, 2005

Loan Type	Number of Loans	Balance	Servicing Fees Earned
Real Estate Secured		\$	\$
Non-Real Estate Secured		\$	\$

**SCHEDULE J**  
**OTHER BUSINESS ACTIVITIES AND COVERED LOANS**

(Round to Nearest Dollar - Omit Cents)

**A. OTHER BUSINESS ACTIVITIES:**

This Schedule is to be completed on *any* activities conducted at the licensed location(s) in addition to the making and/or brokering of loans pursuant to your California Finance Lender licenses.

1. <u>Sale of Insurance Products</u>	<u>Insurer</u>	<u>2005 Revenue</u>
Credit Life Insurance		\$
Credit Disability Insurance		
Credit Loss of Income Insurance		
Accidental Death & Dismemberment		
Personal Property Insurance		
Real Estate Loan Insurance		
Others ( <i>auto, whole life, etc.</i> )		

2. OTHER SERVICES PROVIDED (*Examples: loan servicing, leasing, automobile contracts, etc.*)

<u>Description of Services Provided</u>	<u>2005 Revenue</u>	<u>License Authority (If Applicable)</u>
	\$	

3. BUSINESS CONDUCTED PURSUANT TO THE COMMODITY BROKERS LAW OF 1990

(*Example: Sale and/or financing of precious metals or other commodities*)

<u>Describe Activity</u>	<u>2005 Revenue</u>	<u>License Authority (If Applicable)</u>
	\$	

4. OTHER BUSINESS ACTIVITY CONDUCTED AT LICENSED LOCATION (*If not included in Parts 1, 2, or 3 above.*)

<u>Describe Activity</u>	<u>2005 Revenue</u>	<u>License Authority (If Applicable)</u>
	\$	

5. List any other licenses held by licensee issued by State of California departments or agencies:

<u>Name of License</u>	<u>Name of Agency</u>	<u>License No.</u>

**SCHEDULE J**  
**(Continuation)**  
**OTHER BUSINESS ACTIVITIES AND COVERED LOANS**  
(Round to Nearest Dollar - Omit Cents)

**B. COVERED LOANS:**

This section must be completed by those licensees who have made "covered loans" as defined in Section 4970(b)(1) of the Financial Code

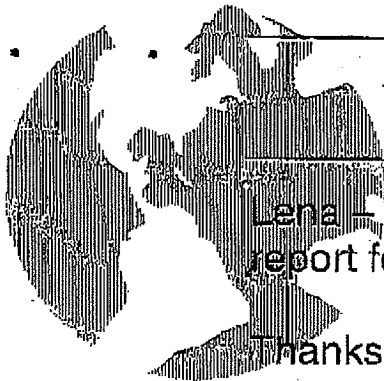
Number of Covered Loans	Principal Amount
	\$

CashCall, Inc.  
17360 Brookhurst St.  
Fountain Valley, CA 92708  
Phone -- (949) 752-4600  
Fax --(949) 225-4600

## facsimile transmittal

To: Lena Fax: 213-576-7574  
From: Daniel Baren Date: 3/13/2006  
Re: Pages:  
CC:

☐ Urgent ☐ For Review ☐ Please Comment ☐ Please Reply ☐ Please Recycle



Lena - Here are the amended pages of the annual report for CashCall.

Thanks,

Dan Baren

CashCall, Inc.  
17360 Brookhurst St.  
Fountain Valley, CA 92708  
Phone -- (949) 752-4600  
Fax --(949) 225-4600

## facsimile transmittal

To: Lena Fax: 213-576-7574  
From: Daniel Baren Date: 3/14/2006  
Re: Pages:  
CC:

☐ Urgent ☐ For Review ☐ Please Comment ☐ Please Reply ☐ Please Recycle

Lena -- Here is the amended Schedule C-2 for  
CashCall.

Thanks,

Dan Baren



# EXHIBIT C

STATE OF CALIFORNIA -- BUSINESS, TRANSPORTATION AND HOUSING AGENCY

ARNOLD SCHWARZENEGGER, Governor

## DEPARTMENT OF CORPORATIONS

PLEASE READ THE ATTACHED INSTRUCTIONS CAREFULLY BEFORE COMPLETING THIS REPORT. All licensees must complete the report even if no business was conducted. See INSTRUCTIONS if no business was conducted.

COPY



To: COMMISSIONER OF CORPORATIONS, STATE OF CALIFORNIA

ANNUAL REPORT  
 LICENSEES ENGAGED IN BUSINESS UNDER THE  
 CALIFORNIA FINANCE LENDERS LAW  
 (Finance Lender and Broker)  
 For the Year Ended December 31, 2006

SCHEDULE A  
 GENERAL INFORMATION

1. Name of Licensee (as shown on the license )  
 and Address of Main Office:

CashCall, Inc.  
 17360 Brookhurst Street  
 Fountain Valley, CA 92708

2. Business Phone No.: ( 949 ) 752-4600 Fax No.: ( 949 ) 225-4600  
 Website Address: www.cashcall.com
3. Have you moved your business location or desire to change the address of your business in the near future?  
 YES [ ☐ ] NO [ ☒ ] (CHECK ONE)

If yes, complete the following:

## NOTICE OF CHANGE OF ADDRESS:

New Address: \_\_\_\_\_

New Business Phone No.: ( \_\_\_\_\_ ) \_\_\_\_\_

Effective Date of Move: \_\_\_\_\_

Signature

Name and Title (Please type or print)

(The signature must be that of an authorized person, such as an officer, employee designated to handle licensing matters, a partner, or a sole proprietor.)

**SCHEDULE A**  
**(Continuation)**  
**GENERAL INFORMATION**

4. Office Hours: 7 a.m. to 6 p.m.

5. License Number for Main Office: 6038780

*(If the report covers more than one location, the license number and address of each location must be listed on a separate schedule attached to this report.)*

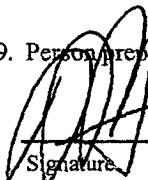
**CAUTION: THE REPORT WILL BE RETURNED IF THIS SCHEDULE IS NOT COMPLETED.**

6. Licensed Authority:   A. ☒ Lender Only  
                                  B. ☐ Lender and Broker  
                                  C. ☐ Broker Only

7. Total number of licenses held at December 31, 2006: 1

8. Type of Organization:   ☒ Corporation  
                                  ☐ Partnership  
                                  ☐ Individual  
                                  ☐ Limited Liability Company  
                                  ☐ Other (specify) \_\_\_\_\_

9. Person preparing this report:

  
\_\_\_\_\_  
Signature

Daniel H. Baren, General Counsel

\_\_\_\_\_  
Name & Title (Please type or print)

Phone No.: ( 949 ) 752-4605

Fax No.: ( 949 ) 225-4605

## VERIFICATION

STATE OF California )  
 ) SS.  
 COUNTY OF Orange )

I, the undersigned, state: That I am an officer or general partner or the sole proprietor or have a position of similar proprietary interest of  
 (Insert name as shown on your license)

CashCall, Inc.


and I have read and signed this report and the documents filed herewith and know the contents thereof. I certify that the financial statements contained therein were prepared in conformity with generally accepted accounting principles consistently applied, and the statistical information supplied is to the best of my knowledge true and exact.

Complete Section (A) OR Section (B) as appropriate.

**(A) IF LOCATED IN CALIFORNIA OR A STATE WHICH PERMITS A DECLARATION UNDER PENALTY OF PERJURY, COMPLETE THIS SECTION. NOTARIZATION IS NOT NECESSARY.**

Date 03/09, 2007 at Fountain Valley, CA  
 (Month / Day) (Year) (City) (State)

I certify (or declare) under the penalty of perjury that the foregoing is true and correct.

  
 Signature of Declarant

J. Paul Reddam, President  
 Name and Title (Please type or print)

**(B) IF LOCATED OUTSIDE CALIFORNIA AND IN A STATE WHICH DOES NOT PERMIT A DECLARATION UNDER PENALTY OF PERJURY, COMPLETE THIS SECTION. NOTARIZATION IS REQUIRED.**

Date \_\_\_\_\_, \_\_\_\_\_  
 (Month / Day) (Year)

at \_\_\_\_\_  
 (City)

\_\_\_\_\_  
 (State)

Signature of Affiant

\_\_\_\_\_  
 Name and Title (Please type or print)

Subscribed and sworn to before me on

(SEAL)

\_\_\_\_\_, \_\_\_\_\_  
 (Month / Day) (Year)

(Year)

\_\_\_\_\_  
 Notary Public in and for said County and State

## TABLE OF SCHEDULES TO BE COMPLETED

The schedules in this report must be completed in accordance with the following licensing authority and instructions under the California Finance Lenders Law (CFL):

A. If you are licensed as a **CFL LENDER**, the following schedules must be completed:

SCHEDULE	PAGE	SCHEDULE	PAGE
A	1 & 2	E	13
VERIFICATION	3	F	14 & 15
B-1	5 & 6	G	16, 17, & 18
B-1(a)	7	H	19
B-2	8	I	20
C-1	9	J	21 & 22
C-2	10	K	23 & 24
C-3	11		

B. If you are licensed as a **CFL BROKER**, the following schedules must be completed:

SCHEDULE	PAGE	SCHEDULE	PAGE
A	1 & 2	C-2	10
VERIFICATION	3	C-3	11
B-1	5 & 6	D	12
B-1(a)	7	J	21 & 22
B-2	8	K	23 & 24
C-1	9		

*\* If you are licensed as a CFL Broker only, discard Pages 13 through 20.*

C. If you are authorized to act as a **CFL LENDER and BROKER**, all schedules must be completed.

D. If any schedule is inapplicable, note "N/A" at the top of the schedule.

E. The verification on Page 3 must be completed on all reports.

**UNSIGNED OR INCOMPLETE VERIFICATION WILL NOT BE ACCEPTED**

F. If no business was conducted under the license(s) during the calendar year 2006, only pages 1 through 11, 23 and 24 need to be completed. The remaining pages need not be submitted. "No business" means no loan was made, refinanced, or brokered in 2006, and no loan payment or broker fee was received in 2006. Also a statement must be completed at the bottom of the page 3 VERIFICATION stating that "No business was conducted under the license(s) during the calendar year 2006."

G. Your annual assessment is based on the gross income reported from activities conducted under your California Finance Lenders Law (Schedule C-1, Statement of Income and Expense, Page 9, Line 1). Income earned from other state or federal licenses, activities not requiring a license, or activities conducted pursuant to licenses of other agencies should be reported on Schedule C-1, Page 9, Line 2.

H. For the purposes of completing the 2006 Annual Report, all income derived from loans originated under the Personal Property Broker, Consumer Finance Lender, and/or Commercial Finance Lender Laws should be treated as income earned under the California Finance Lenders Law.

**SCHEDULE B-1  
BALANCE SHEET  
AS OF DECEMBER 31, 2006**  
(Round to Nearest Dollar - Omit Cents)

Name of Licensee: CashCall, Inc.CFL File No. 6038780**ASSETS**

1. Cash .....	\$	24,728,132
2. Investments .....		0
3. CFL Loans Receivables (must equal Schedule B-2, line 6) .....		23,666,281
4. Other Receivables (must equal Schedule B-2, line 14) .....		0
5. Reserves and Withholds by Banks and Finance Companies .....		0
6. Fixed Assets (Less: Accumulated Depreciation \$ 3,520,576) .....		9,565,124
7. Prepaid Expenses and Deferred Charges .....		1,131,863
8. Commissions Receivable .....		0
9. Other Assets .....		87,020,610
10. Total Assets (sum of lines 1 thru 9 and must equal line 22) .....	\$	146,112,010

Go to Line 22**LIABILITIES AND NET WORTH**

11. Loans & Notes Payable from Third Parties .....	\$	69,159,729
12. Loans & Notes Payable from Parents & Affiliates .....		41,259,801
13. Bonds, Debentures, and Certificates of Indebtedness .....		0
14. Accounts Payable .....		8,222,481
15. Dealers Reserves and Withholds .....		0
16. Accrued Taxes Other Than Income Tax .....		135,013
17. Reserve for Income Taxes .....		0
18. Credit Insurance Premiums Due Insurer .....		0
19. Other Liabilities and Accruals .....		1,749,038
20. Total Liabilities (sum of lines 11 thru 19) .....	\$	120,526,062
21. Net Worth (line 10 less line 20 and must equal Schedule B-1(a), line 10, 13, or 14) .....	\$	25,585,948
22. Total Liabilities and Net Worth (add lines 20 & 21 and must equal line 10) .....	\$	146,112,010

**NOTE:** CFL stands for California Finance Lenders.

**Fixed Assets** include land, building, equipment, furniture & fixtures, automobiles, and leasehold improvement, less accumulated depreciation.

SCHEDULE B-1  
(Continuation)  
REQUEST FOR CONFIDENTIAL TREATMENT

Name of Licensee (as shown on the license): CashCall, Inc.

CFL File Number: 6038780

PURSUANT TO SECTION 22159(a) OF THE FINANCIAL CODE, I REQUEST CONFIDENTIAL TREATMENT OF THE BALANCE SHEET. THE LICENSEE QUALIFIES FOR CONFIDENTIAL TREATMENT OF THE BALANCE SHEET AS A:

(CHECK ONE)

SOLE PROPRIETOR

☐

"NONPUBLICLY TRADED PERSON" (persons with securities owned by 35 or fewer individuals)

☒

By: \_\_\_\_\_

*Signature of Declarant*

Printed Name: J. Paul Reddam

Position: President

**Caution:** This section must be completed and be signed by an authorized person, if confidential treatment of the balance sheet is requested.

**SCHEDULE B-1(a)**  
**CALCULATION OF NET WORTH**  
**AS OF DECEMBER 31, 2006**  
(Round to Nearest Dollar - Omit Cents)

COPY

**MAILED**  
5-10-07  
Via Priority

Name of Licensee: CashCall, Inc.CFL File No. 6038780**FOR CORPORATION ONLY:**

1. Common Stock .....	\$	<u>3,000,000</u>
2. Preferred Stock .....		<u>0</u>
3. Paid In Capital in Excess of Par .....		<u>17,000,000</u>
4. Less: Treasury Stock, Donated Stock, etc. ....		<u>( )</u>
5. Total Capital (sum of lines 1 thru 4) .....	\$	<u>20,000,000</u>
6. Retained Earnings @ 01/01/06 .....	\$	<u>(2,216,169)</u>
7. Adjustments to Retained Earnings .....		<u>(1,688,375)</u>
8. Net Income or Loss (from Schedule C-1, line 23) .....		<u>9,490,492</u>
9. Retained Earnings @ 12/31/06 (sum of lines 6 thru 8) .....		<u>5,585,948</u>
10. Total Net Worth (sum of lines 5 and 9 and must equal Schedule B-1, line 21) .....	\$	<u><u>25,585,948</u></u>

**FOR PARTNERSHIP ONLY:**

## 11. Partnership Capital Accounts:

Name (General Partners)	Percentage	Amount
_____	_____	\$ _____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

12. Limited Partners (total) .....

13. Total Net Worth (sum of lines 11 and 12 and must equal Schedule B-1, line 21) \$ \_\_\_\_\_**FOR INDIVIDUALS, TRUSTEES, AND OTHERS:**

14. Net Worth of Individuals, Trustees, and Others (enter balance from Schedule B-1, line 21) .....



**SCHEDULE B-2**  
**ANALYSIS OF LOANS AND RECEIVABLES OUTSTANDING**  
**AS OF DECEMBER 31, 2006**  
(Round to Nearest Dollar - Omit Cents)

<b><u>CALIFORNIA FINANCE LENDERS LOANS:</u></b> (A)	<u>Aggregate Balance</u>
1. Consumer Loans .....	\$ 64,349,290
2. Commercial Loans .....	0
3. Subtotal (sum of lines 1 and 2) .....	\$ 64,349,290
4. Less: Unearned Pre-computed Charges .....	( 0 )
5. Less: Allowance for Bad Debts .....	( 40,683,009 )
6. Net California Finance Lenders Loans Receivables (sum of lines 3 thru 5 and must equal Schedule B-1, line 3) .....	\$ 23,666,281

<b><u>OTHER RECEIVABLES NOT SUBJECT TO CFL LICENSING REQUIREMENTS OF COMMISSIONER OF CORPORATIONS:</u></b> (B)	<u>Aggregate Balance</u>
7. Sales Contracts .....	\$ 0
8. Leases (True leases) .....	0
9. Factoring .....	0
10. Others .....	0
11. Subtotal (sum of lines 7 and 10) .....	\$ 0
12. Less: Unearned Pre-computed Charges .....	( 0 )
13. Less: Allowance for Bad Debts .....	( 0 )
14. Net Other Receivables (sum of lines 11 thru 13 and must equal Schedule B-1, line 4) .....	\$ 0

**NOTE:**

(A) May include outstanding receivables originated under the Personal Property Broker, Consumer Finance Lender, and Commercial Finance Lender licenses.

(B) See Schedule B-2 of INSTRUCTIONS on classification of receivables.

**SCHEDULE C-1**  
**STATEMENT OF INCOME AND EXPENSES**  
**FOR CALENDAR YEAR 2006**  
(Round to Nearest Dollar - Omit Cents)

**INCOME**

1. Gross Income from CFL Loans and CFL Brokered Loans <i>(from Schedule C-2, line 16)</i> . <b>REPORT ONLY CFL GROSS INCOME ON THIS LINE</b> .....	\$ 139,397,248
2. Gross Income from All Other Business and Sources <i>(from Schedule C-3, line 7)</i> .....	158,675
3. <b>Total Gross Income</b> <i>(sum of lines 1 and 2)</i> .....	\$ 139,555,923

**EXPENSES**

4. Advertising and Promotion .....	\$ 28,102,526
5. Professional Audit and Accounting Services .....	314,652
6. Insurance and Bond Premiums .....	1,847,320
7. Legal Services and Expenses .....	2,458,736
8. Occupancy Expenses .....	1,947,676
9. Provision for Bad Debt Allowance .....	16,216,067
10. Salaries and Bonuses: Employees .....	37,834,396
11. Salaries and Bonuses: Owners, Partners, Executives .....	900,983
12. Depreciation .....	1,979,751
13. License Fees and Taxes .....	99,047
14. Telephone and Utilities .....	1,279,325
15. Travel .....	267,542
16. Other Expenses .....	29,023,563
17. <b>Total Expenses before Interest and Income Taxes</b> <i>(sum of lines 4 thru 16)</i> .....	\$ 122,271,584
18. <b>Income or (loss) before Interest and Income Taxes</b> <i>(line 3 less line 17)</i> .....	\$ 17,284,339
19. Interest Paid to Bona Fide Third Parties .....	4,693,683
20. Interest Paid to Parent Company and Affiliates .....	2,357,048
21. <b>Income or (Loss) before Income Taxes</b> <i>(subtract lines 19 and 20 from line 18)</i> .....	\$ 10,233,608
22. Provision for Income Taxes .....	743,116
23. <b>Net Income or (Loss)</b> <i>(line 21 less line 22)</i> . (A) .....	\$ 9,490,492

**NOTE:** (A) If the licensee is incorporated, NET INCOME OR LOSS balance must agree with Schedule B-1(a), line 8.

**SCHEDULE C-2**  
**ANALYSIS OF INCOME RECEIVED FROM CFL LENDERS AND BROKERS LOANS**  
**FOR CALENDAR YEAR 2006**  
(Round to Nearest Dollar - Omit Cents)

	Loans Under \$2,500 (Column 1)	Loans of \$2,500 & Over (Column 2)	Total (Column 3)
<b><u>CFL LENDERS AND BROKERS LOANS:</u></b>			
<b><u>CONSUMER LOANS:</u></b>			
1. Charges Earned or Collected from loans .....	\$ 246,928	\$ 25,041,702	\$ 25,288,630
2. Collection from Charged Off Accounts .....			
3. Income from Credit Insurance .....			
4. Other Insurance Commissions .....			
5. Administrative Fees (Loan Fees Charged by Lenders) .....	256,200	8,051,850	8,308,050
6. Commissions from Brokering CFL Consumer Loans (from Schedule D, line 8) .....			
7. Other income .....		105,800,568	105,800,568
8. <b>Total Consumer Loans Income</b> (sum of lines 1 thru 7) .....	\$ 503,128	\$ 138,894,120	\$ 139,397,248
<b><u>COMMERCIAL LOANS:</u></b>			
9. Charges Earned or Collected from Loans .....			\$ 0
10. Collection from Charged Off Accounts .....			0
11. Income from Credit Insurance .....			0
12. Other Insurance Commissions .....			0
13. Commissions from Brokering CFL Commercial Loans (from Schedule D, line 13) .....			
14. Other Income .....			0
15. <b>Total Commercial Loan Income</b> (sum of lines 9 thru 14) .....			\$ 0
16. <b>Total Gross Income from CFL Loans and CFL Brokered Loans</b> (sum of lines 8 Column 3 & 15 and must equal Schedule C-1, line 1) .....			\$ 139,397,248

**CAUTION:** The income reported on lines 1 through 16 is for income relating to your California Finance Lender license. It may include income attributable to loans made under the Personal Property Broker, Consumer Finance Lender, and Commercial Finance Lender Laws prior to July 1, 1995. It must be accurately reported. The total income reported will be the basis for the computation of your assessment to renew your license(s) for the coming fiscal year. Income not relating to your California Finance Lender license should be reported on Schedule C-3.

**SCHEDULE C-3**  
**ANALYSIS OF INCOME RECEIVED FROM OTHER BUSINESS AND SOURCES**  
**FOR CALENDAR YEAR 2006**  
(Round to Nearest Dollar - Omit Cents)

**ALL OTHER BUSINESS AND SOURCES:**

1. Charges Earned or Collected .....	\$	0
2. Other Interest or Return on Investment .....		158,675
3. Collection from Charged Off Accounts .....		0
4. Income from Credit Insurance .....		0
5. Other Insurance Commissions .....		0
6. Other Income (please explain below) .....		0
7. Total Income from All Other Business and Sources (sum of lines 1 thru 6 and must equal Schedule C-1, line 2) .....	\$	158,675

**Please describe source of other income for line 6:**

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**CAUTION:** Income reported on Lines 1 through 7 is only for income not related to your CFL license with Commissioner of Corporations. Any income earned related to your CFL license with Commissioner of Corporations must be reported on Schedule C-2. For guidelines on classification of receivables and income falling under the jurisdiction of Commissioner of Corporations under the CFL Law, please refer to Schedule C-3 of the attached INSTRUCTIONS.

**SCHEDULE D**  
**SCHEDULE OF BROKERED LOANS**  
**FOR CALENDAR YEAR 2006**  
(Round to Nearest Dollar - Omit Cents)

**A. SCHEDULE OF CFL BROKERED LOANS** (*This section must be completed by all licensees who have brokered loans to any lender licensed under the California Finance Lenders Law*)

Name of Lender	Lender's License Number	Number of Loans Brokered	Principal Amount of Loans	Amount of Commissions Received
<b>LIST CONSUMER LOANS BROKERED ONLY:</b>				
1. _____	_____	_____	\$ _____	\$ _____
2. _____	_____	_____	_____	_____
3. _____	_____	_____	_____	_____
4. _____	_____	_____	_____	_____
5. _____	_____	_____	_____	_____
6. _____	_____	_____	_____	_____
7. _____	_____	_____	_____	_____
8. <b>Total Consumer Loans Brokered</b> (sum of lines 1 thru 7 and must equal Scheduling C-2, line 6, column 3) .....			\$ _____	\$ _____
<b>LIST COMMERCIAL LOANS BROKERED ONLY:</b>				
9. _____	_____	_____	\$ _____	\$ _____
10. _____	_____	_____	_____	_____
11. _____	_____	_____	_____	_____
12. _____	_____	_____	_____	_____
13. <b>Total Commercial Loans Brokered</b> (sum of lines 9 thru 12 and must equal Scheduling C-2, line 13) .....			\$ _____	\$ _____
14. <b>Total Loans Brokered</b> (sum of lines 8 and 13) .....			\$ _____	\$ _____

Describe the method of computing commissions and how commissions are paid (i.e., in advance, from loan proceeds, etc.). If commissions are prepaid, describe method of refunding commissions in the event a loan is not funded.

XX

**B. SCHEDULE OF OTHER BROKERED LOANS** (*This section must be completed by all licensees who have brokered loans to any lender not licensed under the California Finance Lenders Law*)

	Total Number of Loans Brokered	Total Principal Amount of Loans Brokered	Total Amount of Commissions Received
<b>TOTALS</b>	_____	\$ _____	\$ _____

State the name of the agency and your broker license number for authority to broker other loans.

**SCHEDULE E**  
**CALIFORNIA FINANCE LENDERS**  
**LOANS MADE OR REFINANCED DURING THE YEAR BY SIZE**  
**FOR CALENDAR YEAR 2006**  
(Round to Nearest Dollar - Omit Cents)

**CONSUMER LOANS ONLY**

Loans of	Number of Loans	Principal Amount
1. \$ 499 or Less .....	0	\$ 0
2. 500 to 1,999 .....	0	0
3. 2,000 to 2,499 .....	0	0
4. 2,500 to 4,999 .....	58,199	151,317,400
5. 5,000 to 9,999 .....	27,193	138,004,475
6. 10,000 or More .....	5,878	59,460,000
7. Total Consumer Loans Made (sum of lines 1 thru 6) . (A) .....	91,270	\$ 348,781,875

**COMMERCIAL LOANS ONLY**

8. \$ 5,000 or More .....	0	\$ 0
9. Total Commercial Loans Made . (B) .....	0	0
10. Total Loans Made - All Categories (sum of lines 7 and 9) . (C) .....	91,270	\$ 348,781,875

**NOTE:** (A) Totals must equal Schedule F, line 27 and Schedule G, line 40.

(B) Totals must equal Schedule F, line 34 and Schedule G, line 49.

(C) Totals must equal Schedule F, line 35 and Schedule G, line 50.

**SCHEDULE F**  
**CALIFORNIA FINANCE LENDERS**  
**LOANS MADE OR REFINANCED DURING THE YEAR BY TYPE OF SECURITY**  
**FOR CALENDAR YEAR 2006**  
(Round to Nearest Dollar - Omit Cents)

**CONSUMER LOANS ONLY**

<u>Type of Security</u>	<u>Number of Loans</u>	<u>Principal Amount</u>
<b><u>Loans Under \$2,500</u></b>		
1. Unsecured .....	0	\$ 0
2. Personal Property (household items) .....	0	0
3. Automobiles and Other Motor Vehicles .....	0	0
4. Wage Assignment .....	0	0
5. Other Security .....	0	0
6. Total Loans Made (sum of lines 1 thru 5) .....	0	\$ 0
<b><u>Loans \$2,500 to \$4,999</u></b>		
7. Unsecured .....	58,199	\$ 151,317,400
8. Personal Property (household items) .....	0	0
9. Automobiles and Other Motor Vehicles .....	0	0
10. Wage Assignment .....	0	0
11. Other Security .....	0	0
12. Total Loans Made (sum of lines 7 thru 11) .....	58,199	\$ 151,317,400
<b><u>Loans \$5,000 to \$9,999</u></b>		
13. Unsecured .....	27,193	\$ 138,004,475
14. Personal Property (household items) .....	0	0
15. Automobiles and Other Motor Vehicles .....	0	0
16. Wage Assignment .....	0	0
17. Real Property .....	0	0
18. Other Security .....	0	0
19. Total Loans Made (sum of lines 13 thru 18) .....	27,193	\$ 138,004,475

**SCHEDULE F**  
**(Continuation)**  
**CALIFORNIA FINANCE LENDERS**  
**LOANS MADE OR REFINANCED DURING THE YEAR BY TYPE OF SECURITY**  
**FOR CALENDAR YEAR 2006**  
(Round to Nearest Dollar - Omit Cents)

**CONSUMER LOANS ONLY**

<u>Type of Security</u>	<u>Number of Loans</u>	<u>Principal Amount</u>
<b><u>Loans \$10,000 and Over</u></b>		
20. Unsecured .....	5,878	\$ 59,460,000
21. Personal Property (household items) .....	0	0
22. Automobiles and Other Motor Vehicles .....	0	0
23. Wage Assignment .....	0	0
24. Real Property .....	0	0
25. Other Security .....	0	0
26. Total Loans Made (sum of lines 20 thru 25) .....	5,878	\$ 59,460,000
27. Total Consumer Loans Made (sum of lines 6, 12, 19, & 26) . (A) .....	91,270	\$ 348,781,875

**COMMERCIAL LOANS ONLY**

28. Unsecured .....	0	\$ 0
29. Personal Property .....	0	0
30. Automobiles and Other Motor Vehicles .....	0	0
31. Business Equipment .....		
32. Real Property .....		
33. Other Security .....		
34. Total Commercial Loans Made (sum of lines 28 thru 33) . (B) .....	0	\$ 0
35. Total Loans Made - All Categories (sum of lines 27 and 34) . (C) .....	91,270	\$ 348,781,875

**NOTE:** (A) Totals must equal Schedule E, line 7 and Schedule G, line 40.

(B) Totals must equal Schedule E, line 9 and Schedule G, line 49.

(C) Totals must equal Schedule E, line 10 and Schedule G, line 50.



**SCHEDULE G**  
**CALIFORNIA FINANCE LENDERS**  
**LOANS MADE OR REFINANCED DURING THE YEAR BY RATES CHARGES**  
**FOR CALENDAR YEAR 2006**  
(Round to Nearest Dollar - Omit Cents)

**CONSUMER LOANS ONLY**

	<u>Annualized Rate of Charge</u>	<u>Number of Loans</u>	<u>Principal Amount</u>
<b><u>Loans under \$2,500</u></b>			
1. Step Rate: 2.5%, 2%, 1.5%, & 1% Per Month		0	\$ 0
Alternate Rates:			
2. 1.6% Per Month .....		0	0
3. Federal Reserve Bank Rate plus 10% .....		0	0
Other Rates:			
4. Up to 14.999 APR .....		0	0
5. 15.000 to 19.999 APR .....		0	0
6. 20.000 to 24.999 APR .....		0	0
7. 25.000 to 29.999 APR .....		0	0
8. 30.000 to 34.999 APR .....		0	0
9. 35.000 to 39.999 APR .....		0	0
10.1 40.000 to 99.999 APR .....		0	0
10.2 100.000 or More APR .....		0	0
11. Variable Rates Based on Index .....		0	0
12. Total Loans Made (sum of lines 1 thru 11) .....		0	\$ 0
<b><u>Loans \$2,500 to \$4,999</u></b>			
13. Up to 14.999 APR .....		0	\$ 0
14. 15.000 to 19.999 APR .....		0	0
15. 20.000 to 24.999 APR .....		0	0
16. 25.000 to 29.999 APR .....		0	0
17. 30.000 to 34.999 APR .....		0	0
18. 35.000 to 39.999 APR .....		0	0
19.1 40.000 to 99.999 APR .....	58,199		151,317,400
19.2 100.000 or More APR .....	0		0
20. Variable Rates Based on Index .....	0		0
21. Total Loans Made (sum of line 13 thru 20) .....	58,199	\$	151,317,400

**SCHEDULE G**  
**(Continuation)**  
**CALIFORNIA FINANCE LENDERS**  
**LOANS MADE OR REFINANCED DURING THE YEAR BY RATES CHARGES**  
**FOR CALENDAR YEAR 2006**  
(Round to Nearest Dollar - Omit Cents)

**CONSUMER LOANS ONLY**

<u>Annualized Rate of Charge</u>			<u>Number of Loans</u>	<u>Principal Amount</u>
<b><u>Loans \$5,000 to \$9,999</u></b>				
22.	Up to 14.999	APR .....	0	\$ 0
23.	15.000 to 19.999	APR .....	0	0
24.	20.000 to 24.999	APR .....	0	0
25.	25.000 to 29.999	APR .....	0	0
26.	30.000 to 34.999	APR .....	0	0
27.	35.000 to 39.999	APR .....	0	0
28.1	40.000 to 99.999	APR .....	27,193	138,004,475
28.2	100.000 or More	APR .....	0	0
29.	Variable Rates Based on Index .....		0	0
30.	Total Loans Made (sum of line 22 thru 29) .....		27,193	\$ 138,004,475
<b><u>Loans \$10,000 and Over</u></b>				
31.	Up to 14.999	APR .....	0	\$ 0
32.	15.000 to 19.999	APR .....	0	0
33.	20.000 to 24.999	APR .....	394	4,620,000
34.	25.000 to 29.999	APR .....	0	0
35.	30.000 to 34.999	APR .....	585	5,850,000
36.	35.000 to 39.999	APR .....	4,730	47,300,000
37.1	40.000 to 99.999	APR .....	169	1,690,000
37.2	100.000 or More	APR .....		
38.	Variable Rates Based on Index .....			
39.	Total Loans Made (sum of line 31 thru 38) .....		5,878	\$ 59,460,000
40.	Total Consumer Loans Made (sum of lines 12, 21, 30, & 39) . (A) .....		91,270	\$ 348,781,875

**NOTE:** (A) Totals must equal Schedule E, line 7 and Schedule F, line 27.

**SCHEDULE G**  
**(Continuation)**  
**CALIFORNIA FINANCE LENDERS**  
**LOANS MADE OR REFINANCED DURING THE YEAR BY RATES CHARGES**  
**FOR CALENDAR YEAR 2006**  
(Round to Nearest Dollar - Omit Cents)

**COMMERCIAL LOANS ONLY**

	Annualized Rate of Charge	Number of Loans	Principal Amount
41.	Up to 14.999 APR .....	0	\$ 0
42.	15.000 to 19.999 APR .....	0	0
43.	20.000 to 24.999 APR .....	0	0
44.	25.000 to 29.999 APR .....	0	0
45.	30.000 to 34.999 APR .....	0	0
46.	35.000 to 39.999 APR .....	0	0
47.1	40.000 to 99.999 APR .....	0	0
47.2	100.000 or More APR .....	0	0
48.	Variable Rates Based on Index .....	0	0
49.	<b>Total Commercial Loans Made (sum of lines 41 thru 48) . (B) .....</b>	0	\$ 0
50.	<b>Total Loans Made - All Categories (sum of lines 40 &amp; 49) . (C) .....</b>	91,270	\$ 348,781,875

**NOTE : (B)** Totals must equal Schedule E, line 9 and Schedule F, line 34.

**(C)** Totals must equal Schedule E, line 10 and Schedule F, line 35.

**SCHEDULE H  
CREDIT INSURANCE  
GENERAL INFORMATION**

1. Give name(s) of insurance company(ies) underwriting your credit insurance.

Name: N/A

Address: N/A

2. Is (are) the insurance company(ies) described in Item 1 above a parent corporation, affiliated company, or in any other manner connected with the licensee reporting: Yes ☐ No ☐

If answer to Item 2 is *Yes*, please explain:

\_\_\_\_\_

3. Credit insurance premiums charged per year per hundred dollars of initial indebtedness:

Single Premium	Credit Life	Joint Coverage
\$0	Personal Property	\$0
\$0	Real Property	\$0
	Credit Disability	
\$0	Personal Property	\$0
\$0	Real Property	\$0
	Credit Loss-of-Income	
\$0	Personal Property	\$0
\$0	Real Property	\$0

4. Is the credit insurance premium deducted from the loan proceeds? Yes ☐ No ☐

If the answer is *No*, please explain:

N/A

5. Are the credit insurance premiums that have been collected from the borrowers remitted in total to the carrier? Yes ☐ No ☐

If the answer is *No*, please explain:

N/A

6. What is the age limit to qualify for credit insurance?

	Minimum	Maximum
Credit Life	<u>0</u>	<u>0</u>
Credit Disability	<u>0</u>	<u>0</u>
Credit Loss-of-Income	<u>0</u>	<u>0</u>

7. Does the credit disability policy contain a "14-day" non-retroactive provision? Yes ☐ No ☐

If the answer is *No*, please explain:

N/A

8. List exclusions from coverage, if any:

N/A

**SCHEDULE I**  
**SALE OF LOANS TO INSTITUTIONAL INVESTORS AND MULTIPLE LENDER LOANS**  
**FOR CALENDAR YEAR 2006**  
(Round to Nearest Dollar - Omit Cents)

1. Loans Sold (Pursuant to Sections 22340, 22340.1, 22600 and 22600.1 Financial Code):

Report only those loans originated under your California Department of Corporations' CFL license(s), or purchased from an institutional lender, or another licensee pursuant to Division 9 of California Financial Code, and subsequently sold to institutional investors as defined in the California Financial Code.

No. of Loans Sold	Dollar Value of Loans Sold	Dollar Amount of Loans Sold Retained for Servicing	Servicing Fees Earned
0	\$ 0	\$ 0	\$ 0

Are these loans sold to institutional investors? Yes ☐ No ☒

Did you sell any of those loans to affiliated companies? Yes ☐ No ☒

Are trust accounts established for those loans serviced? Yes ☐ No ☒

2. Loans Serviced:

Report all loans you service as of December 31, 2006

Loan Type	Number of Loans	Balance	Servicing Fees Earned
Real Estate Secured	0	\$ 0	\$ 0
Non-Real Estate Secured	155,160	\$ 550,143,689.21	\$ 0

**SCHEDULE J**  
**OTHER BUSINESS ACTIVITIES AND COVERED LOANS**  
(Round to Nearest Dollar - Omit Cents)

**A. OTHER BUSINESS ACTIVITIES:**

This Schedule is to be completed on *any* activities conducted at the licensed location(s) in addition to the making and/or brokering of loans pursuant to your California Finance Lender licenses.

1. <u>Sale of Insurance Products</u>	<u>Insurer</u>	<u>2006 Revenue</u>
Credit Life Insurance	N/A	\$ 0
Credit Disability Insurance	N/A	0
Credit Loss of Income Insurance	N/A	0
Accidental Death & Dismemberment	N/A	0
Personal Property Insurance	N/A	0
Real Estate Loan Insurance	N/A	0
Others (auto, whole life, etc.)	N/A	0

**2. OTHER SERVICES PROVIDED** (Examples: loan servicing, leasing, automobile contracts, etc.)

<u>Description of Services Provided</u>	<u>2006 Revenue</u>	<u>License Authority (If Applicable)</u>
None	\$ 0	N/A

**3. BUSINESS CONDUCTED PURSUANT TO THE COMMODITY BROKERS LAW OF 1990**

(Example: Sale and/or financing of precious metals or other commodities)

<u>Describe Activity</u>	<u>2006 Revenue</u>	<u>License Authority (If Applicable)</u>
None	\$ 0	N/A

**4. OTHER BUSINESS ACTIVITY CONDUCTED AT LICENSED LOCATION** (If not included in Parts 1, 2, or 3 above.)

<u>Describe Activity</u>	<u>2006 Revenue</u>	<u>License Authority (If Applicable)</u>
None	\$ 0	N/A

**5. List any other licenses held by licensee issued by State of California departments or agencies:**

<u>Name of License</u>	<u>Name of Agency</u>	<u>License No.</u>
None	N/A	N/A

**SCHEDULE J**  
**(Continuation)**  
**OTHER BUSINESS ACTIVITIES AND COVERED LOANS**  
(Round to Nearest Dollar - Omit Cents)

**B. COVERED LOANS:**

This section must be completed by those licensees who have made "covered loans" as defined in Section 4970(b)(1) of the Financial Code

<u>Number of Covered Loans</u>	<u>Principal Amount</u>
0	\$ 0

**SCHEDULE K**  
**DIRECTORY OF DIRECTORS, OFFICERS, BRANCH MANAGERS AND ANY PERSON OWNING OR**  
**CONTROLLING (directly or indirectly) 10% OR MORE INTEREST OR EQUITY SECURITIES**  
(Please Type or Print Clearly)

Name of Licensee: CashCall, Inc.

CFL File No. 6038780

For updating the Department's licensee files, please complete the following directory for ALL directors, officers, branch managers and any person (as defined in Section 22008 of the California Financial Code) holding 10 percent or more of the outstanding interests if the licensee is a partnership or if the licensee is a corporation, directly or indirectly controlling 10 percent or more of the outstanding equity securities. If the person was required to be included in the initial application or in a subsequent report of a changes in personnel, the person should be included in this directory.

A self-designed form may be used to substitute this schedule if any licensee has more than 21 directors, officers, branch managers and any person holding 10 percent or more of the outstanding interests if the licensee is a partnership or if the licensee is a corporation, directly or indirectly controlling 10 percent or more of the outstanding equity securities. A self-designed form should contain at a minimum the following information.

In addition to this directory, please submit a Statement of Identity and Questionnaire (SIQ) for those individuals who did not submit the SIQ to the Department previously. The SIQ form is available at the Department's internet website at "[www.corp.ca.gov](http://www.corp.ca.gov)".

FULL NAME			POSITION HELD OR TO BE HELD	BUSINESS ADDRESS (Street, City, State & Zip Code)	DATE OF BIRTH	DRIVERS LICENSE NO. AND STATE
FIRST	MIDDLE	LAST				
John	Paul	Reddam	President	17360 Brookhurst Street Fountain Valley, CA 92708	07-23-55	C-0081122 California
Hilary	Elizabeth	Holland	Vice President	17360 Brookhurst Street Fountain Valley, CA 92708	02-12-71	A-1186870 California
Delbert	Orin	Meeks	CFO/Treasurer	17360 Brookhurst Street Fountain valley, CA 92708	09-05-62	N-9476152 California
Louis	Anthony	Ochoa	Secretary	17360 Brookhurst Street Fountain valley, CA 92708	02-08-63	N-9601637 California



**EXHIBIT D**

## DEPARTMENT OF CORPORATIONS

PLEASE READ THE ATTACHED INSTRUCTIONS CAREFULLY BEFORE COMPLETING THIS REPORT. All licensees must complete the report even if no business was conducted. See INSTRUCTIONS if no business was conducted.



2008

To: COMMISSIONER OF CORPORATIONS, STATE OF CALIFORNIA



ANNUAL REPORT  
LICENSEES ENGAGED IN BUSINESS UNDER THE  
CALIFORNIA FINANCE LENDERS LAW  
(Finance Lender and Broker)  
For the Year Ended December 31, 2007

SCHEDULE A  
GENERAL INFORMATION

1. Name of Licensee (as shown on the license )  
and Address of Main Office:

6038780 CFL2  
CASHCALL, INC  
1600 S DOUGLASS ROAD  
ANAHEIM, CA 92806

2. Business Phone No.: ( 949 ) 752-4600 Fax No.: ( 949 ) 225-4600  
Website Address: www.cashcall.com
3. Have you moved your business location or desire to change the address of your business in the near future?  
YES [ ☒ ] NO [ ☐ ] (CHECK ONE)

If yes, complete the following:

## NOTICE OF CHANGE OF ADDRESS:

New Address: \_\_\_\_\_

New Business Phone No.: ( \_\_\_\_\_ ) \_\_\_\_\_

Effective Date of Move: \_\_\_\_\_

Signature \_\_\_\_\_

Name and Title (Please type or print)

(The signature must be that of an authorized person, such as an officer, employee designated to handle licensing matters, a partner, or a sole proprietor.)

CFL 812 (12/07)

CONFIDENTIAL  
CASHCALL 008885

**SCHEDULE A**  
**(Continuation)**  
**GENERAL INFORMATION**

4. Office Hours: 7 a.m. to 6 p.m.

5. License Number for Main Office: 6038780

*(If the report covers more than one location, the license number and address of each location must be listed on a separate schedule attached to this report.)*

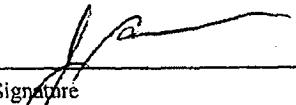
**CAUTION: THE REPORT WILL BE RETURNED IF THIS SCHEDULE IS NOT COMPLETED.**

6. Licensed Authority:    A. ☒ Lender Only  
                                  B. ☐ Lender and Broker  
                                  C. ☐ Broker Only

7. Total number of licenses held at December 31, 2007: 1

8. Type of Organization:    ☒ Corporation  
                                  ☐ Partnership  
                                  ☐ Individual  
                                  ☐ Limited Liability Company  
                                  ☐ Other (specify) \_\_\_\_\_

9. Person preparing this report:

  
\_\_\_\_\_  
Signature

J. Paul Reddam, President

Name & Title (Please type or print )

Phone No.: ( 949 ) 752-4601

Fax No.: ( 949 ) 225-4605

## VERIFICATION

STATE OF California )  
 ) SS.  
 COUNTY OF Orange )

I, the undersigned, state: That I am an officer or general partner or the sole proprietor or have a position of similar proprietary interest of  
 (Insert name as shown on your license )

CashCall, Inc.

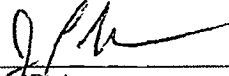
and I have read and signed this report and the documents filed herewith and know the contents thereof. I certify that the financial statements contained therein were prepared in conformity with generally accepted accounting principles consistently applied, and the statistical information supplied is to the best of my knowledge true and exact.

Complete Section (A) OR Section (B) as appropriate.

**(A) IF LOCATED IN CALIFORNIA OR A STATE WHICH PERMITS A DECLARATION UNDER PENALTY OF PERJURY, COMPLETE THIS SECTION. NOTARIZATION IS NOT NECESSARY.**

Date March 12, 2008 at Anaheim, California  
 (Month / Day) (Year) (City) (State)

I certify (or declare) under the penalty of perjury that the foregoing is true and correct.

  
 Signature of Declarant

J. Paul Reddam, President  
 Name and Title (Please type or print)

**(B) IF LOCATED OUTSIDE CALIFORNIA AND IN A STATE WHICH DOES NOT PERMIT A DECLARATION UNDER PENALTY OF PERJURY, COMPLETE THIS SECTION. NOTARIZATION IS REQUIRED.**

Date \_\_\_\_\_, \_\_\_\_\_  
 (Month / Day) (Year)  
 at \_\_\_\_\_  
 (City)  
 \_\_\_\_\_  
 (State)

Signature of Affiant

\_\_\_\_\_  
 Name and Title (Please type or print )

Subscribed and sworn to before me on

(SEAL)

\_\_\_\_\_, \_\_\_\_\_  
 (Month / Day) (Year)

(Year)

\_\_\_\_\_  
 Notary Public in and for said County and State

## TABLE OF SCHEDULES TO BE COMPLETED

The schedules in this report must be completed in accordance with the following licensing authority and instructions under the California Finance Lenders Law (CFL):

A. If you are licensed as a **CFL LENDER**, the following schedules must be completed:

SCHEDULE	PAGE	SCHEDULE	PAGE
A	1 & 2	E	13
VERIFICATION	3	F	14 & 15
B-1	5 & 6	G	16, 17, & 18
B-1(a)	7	H	19
B-2	8	I	20
C-1	9	J	21 & 22
C-2	10	K	23 & 24
C-3	11		

B. If you are licensed as a **CFL BROKER**, the following schedules must be completed:

SCHEDULE	PAGE	SCHEDULE	PAGE
A	1 & 2	C-2	10
VERIFICATION	3	C-3	11
B-1	5 & 6	D	12
B-1(a)	7	J	21 & 22
B-2	8	K	23 & 24
C-1	9		

*\* If you are licensed as a CFL Broker only, discard Pages 13 through 20.*

C. If you are authorized to act as a **CFL LENDER and BROKER**, all schedules must be completed.

D. If any schedule is inapplicable, note "N/A" at the top of the schedule.

E. The verification on Page 3 must be completed on all reports.

**UNSIGNED OR INCOMPLETE VERIFICATION WILL NOT BE ACCEPTED**

F. If no business was conducted under the license(s) during the calendar year 2007, only pages 1 through 11, 23 and 24 need to be completed. The remaining pages need not be submitted. "No business" means no loan was made, refinanced, or brokered in 2007, and no loan payment or broker fee was received in 2007. Also a statement must be completed at the bottom of the page 3 VERIFICATION stating that "No business was conducted under the license(s) during the calendar year 2007."

G. Your annual assessment is based on the gross income reported from activities conducted under your California Finance Lenders Law (Schedule C-1, Statement of Income and Expense, Page 9, Line 1). Income earned from other state or federal licenses, activities not requiring a license, or activities conducted pursuant to licenses of other agencies should be reported on Schedule C-1, Page 9, Line 2.

H. For the purposes of completing the 2007 Annual Report, all income derived from loans originated under the Personal Property Broker, Consumer Finance Lender, and/or Commercial Finance Lender Laws should be treated as income earned under the California Finance Lenders Law.

**SCHEDULE B-1  
BALANCE SHEET  
AS OF DECEMBER 31, 2007**  
(Round to Nearest Dollar - Omit Cents)

Name of Licensee: CashCall, Inc.CFL File No. 6038780**ASSETS**

1. Cash .....	\$	14480359
2. Investments .....		275000
3. CFL Loans Receivables (must equal Schedule B-2, line 6) .....		18764767
4. Other Receivables (must equal Schedule B-2, line 14) .....		0
5. Reserves and Withholds by Banks and Finance Companies .....		0
6. Fixed Assets (Less: Accumulated Depreciation \$ <u>6304207</u> ) .....		12456709
7. Prepaid Expenses and Deferred Charges .....		1450657
8. Commissions Receivable .....		0
9. Other Assets .....		34408064
10. <b>Total Assets</b> (sum of lines 1 thru 9 and must equal line 22) .....	\$	81835556
<u>Go to Line 22</u>		

**LIABILITIES AND NET WORTH**

11. Loans & Notes Payable from Third Parties .....	\$	25820232
12. Loans & Notes Payable from Parents & Affiliates .....		41259801
13. Bonds, Debentures, and Certificates of Indebtedness .....		0
14. Accounts Payable .....		7095531
15. Dealers Reserves and Withholds .....		0
16. Accrued Taxes Other Than Income Tax .....		82630
17. Reserve for Income Taxes .....		674874
18. Credit Insurance Premiums Due Insurer .....		0
19. Other Liabilities and Accruals .....		1496948
20. <b>Total Liabilities</b> (sum of lines 11 thru 19) .....	\$	76430016
21. <b>Net Worth</b> (line 10 less line 20 and must equal Schedule B-1(a), line 10, 13, or 14) .....	\$	5405540
22. <b>Total Liabilities and Net Worth</b> (add lines 20 & 21 and must equal line 10) .....	\$	81835556

**NOTE:** CFL stands for California Finance Lenders.

**Fixed Assets** include land, building, equipment, furniture & fixtures, automobiles, and leasehold improvement, less accumulated depreciation.

SCHEDULE B-1  
(Continuation)  
REQUEST FOR CONFIDENTIAL TREATMENT

Name of Licensee (as shown on the license): CashCall, Inc.

CFL File Number: 6038780

PURSUANT TO SECTION 22159(a) OF THE FINANCIAL CODE, I REQUEST CONFIDENTIAL TREATMENT OF THE BALANCE SHEET. THE LICENSEE QUALIFIES FOR CONFIDENTIAL TREATMENT OF THE BALANCE SHEET AS A:

(CHECK ONE)

SOLE PROPRIETOR

☐

"NONPUBLICLY TRADED PERSON" (persons with securities owned by 35 or fewer individuals)

☒

By: 

*Signature of Declarant*

Printed Name: J. Paul Reddam

Position: President

**Caution:** This section must be completed and be signed by an authorized person, if confidential treatment of the balance sheet is requested.

**SCHEDULE B-1(a)**  
**CALCULATION OF NET WORTH**  
**AS OF DECEMBER 31, 2007**  
(Round to Nearest Dollar - Omit Cents)

Name of Licensee: CashCall, Inc.CFL File No. 6038780**FOR CORPORATION ONLY:**

1. Common Stock .....	\$	<u>3000000</u>
2. Preferred Stock .....		<u>0</u>
3. Paid In Capital in Excess of Par .....		<u>17000000</u>
4. Less: Treasury Stock, Donated Stock, etc. ....	(	<u>0</u> )
5. Total Capital (sum of lines 1 thru 4) .....	\$	<u>20000000</u>
6. Retained Earnings @ 01/01/07 .....	\$	<u>41696393</u>
7. Adjustments to Retained Earnings .....		<u>-2988374</u>
8. Net Income or Loss (from Schedule C-1, line 23) .....		<u>-53302479</u>
9. Retained Earnings @ 12/31/07 (sum of lines 6 thru 8) .....		<u>-14594460</u>
10. Total Net Worth (sum of lines 5 and 9 and must equal Schedule B-1, line 21 )	\$	<u><u>5405540</u></u>

**FOR PARTNERSHIP ONLY:**

## 11. Partnership Capital Accounts:

Name (General Partners)	Percentage	Amount
		\$

12. Limited Partners (total) .....		
13. Total Net Worth (sum of lines 11 and 12 and must equal Schedule B-1, line 21 )	\$	<u><u></u></u>

**FOR INDIVIDUALS, TRUSTEES, AND OTHERS:**

14. Net Worth of Individuals, Trustees, and Others (enter balance from Schedule B-1, line 21 ) .....	\$	<u><u></u></u>
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**SCHEDULE B-2**  
**ANALYSIS OF LOANS AND RECEIVABLES OUTSTANDING**  
**AS OF DECEMBER 31, 2007**  
(Round to Nearest Dollar - Omit Cents)

<b><u>CALIFORNIA FINANCE LENDERS LOANS:</u></b> (A)	<u>Aggregate Balance</u>
1. Consumer Loans .....	\$ 47420993
2. Commercial Loans .....	0
3. Subtotal (sum of lines 1 and 2) .....	\$ 47420993
4. Less: Unearned Pre-computed Charges .....	( 0 )
5. Less: Allowance for Bad Debts .....	( 28656226 )
6. Net California Finance Lenders Loans Receivables (sum of lines 3 thru 5 and must equal Schedule B-1, line 3) .....	\$ 18764767

<b><u>OTHER RECEIVABLES NOT SUBJECT TO CFL LICENSING REQUIREMENTS OF COMMISSIONER OF CORPORATIONS:</u></b> (B)	<u>Aggregate Balance</u>
7. Sales Contracts .....	\$ 0
8. Leases (True leases) .....	0
9. Factoring .....	0
10. Others .....	0
11. Subtotal (sum of lines 7 and 10) .....	\$ 0
12. Less: Unearned Pre-computed Charges .....	( 0 )
13. Less: Allowance for Bad Debts .....	( 0 )
14. Net Other Receivables (sum of lines 11 thru 13 and must equal Schedule B-1, line 4) .....	\$ 0

**NOTE:**

(A) May include outstanding receivables originated under the Personal Property Broker, Consumer Finance Lender, and Commercial Finance Lender licenses.

(B) See Schedule B-2 of INSTRUCTIONS on classification of receivables.

**SCHEDULE C-1**  
**STATEMENT OF INCOME AND EXPENSES**  
**FOR CALENDAR YEAR 2007**  
(Round to Nearest Dollar - Omit Cents)

**INCOME**

1. Gross Income from CFL Loans and CFL Brokered Loans (from Schedule C-2, line 16) . REPORT ONLY CFL GROSS INCOME ON THIS LINE .....	\$	125359412
2. Gross Income from All Other Business and Sources (from Schedule C-3, line 7) .....		393047
3. <b>Total Gross Income</b> (sum of lines 1 and 2) .....	\$	<u>125752459</u>

**EXPENSES**

4. Advertising and Promotion .....	\$	21175400
5. Professional Audit and Accounting Services .....		933598
6. Insurance and Bond Premiums .....		3572726
7. Legal Services and Expenses .....		5424155
8. Occupancy Expenses .....		5410619
9. Provision for Bad Debt Allowance .....		14674874
10. Salaries and Bonuses: Employees .....		61588632
11. Salaries and Bonuses: Owners, Partners, Executives .....		1014648
12. Depreciation .....		3651464
13. License Fees and Taxes .....		140432
14. Telephone and Utilities .....		1769998
15. Travel .....		359936
16. Other Expenses .....		38195797
17. <b>Total Expenses before Interest and Income Taxes</b> (sum of lines 4 thru 16) .....	\$	<u>157912279</u>
18. <b>Income or (loss) before Interest and Income Taxes</b> (line 3 less line 17) .....	\$	<u>-32159820</u>
19. Interest Paid to Bona Fide Third Parties .....		17801139
20. Interest Paid to Parent Company and Affiliates .....		2475588
21. <b>Income or (Loss) before Income Taxes</b> (subtract lines 19 and 20 from line 18) .....	\$	<u>-52436547</u>
22. Provision for Income Taxes .....		865932
23. <b>Net Income or (Loss)</b> (line 21 less line 22) . (A) .....	\$	<u>-53302479</u>

**NOTE :** (A) If the licensee is incorporated, NET INCOME OR LOSS balance must agree with Schedule B-1(a), line 8.

**SCHEDULE C-2**  
**ANALYSIS OF INCOME RECEIVED FROM CFL LENDERS AND BROKERS LOANS**  
**FOR CALENDAR YEAR 2007**  
(Round to Nearest Dollar - Omit Cents)

	Loans Under \$2,500 (Column 1)	Loans of \$2,500 & Over (Column 2)	Total (Column 3)
<b><u>CFL LENDERS AND BROKERS LOANS:</u></b>			
<b><u>CONSUMER LOANS:</u></b>			
1. Charges Earned or Collected from loans .....	\$ 180008	\$ 29983654	\$ 30163662
2. Collection from Charged Off Accounts .....			
3. Income from Credit Insurance .....			
4. Other Insurance Commissions .....			
5. Administrative Fees (Loan Fees Charged by Lenders) .....	89050	3313244	3402294
6. Commissions from Brokering CFL Consumer Loans (from Schedule D, line 8) .....			
7. Other income .....		91793456	91793456
8. Total Consumer Loans Income (sum of lines 1 thru 7) .....	\$ 269058	\$ 125090354	\$ 125359412
<b><u>COMMERCIAL LOANS:</u></b>			
9. Charges Earned or Collected from Loans .....			\$ 0
10. Collection from Charged Off Accounts .....			0
11. Income from Credit Insurance .....			0
12. Other Insurance Commissions .....			0
13. Commissions from Brokering CFL Commercial Loans (from Schedule D, line 13) .....			
14. Other Income .....			0
15. Total Commercial Loan Income (sum of lines 9 thru 14) .....			\$ 0
16. Total Gross Income from CFL Loans and CFL Brokered Loans (sum of lines 8 Column 3 & 15 and must equal Schedule C-1, line 1) .....			\$ 125359412

**CAUTION:** The income reported on lines 1 through 16 is for income relating to your California Finance Lender license. It may include income attributable to loans made under the Personal Property Broker, Consumer Finance Lender, and Commercial Finance Lender Laws prior to July 1, 1995. It must be accurately reported. The total income reported will be the basis for the computation of your assessment to renew your license(s) for the coming fiscal year. Income not relating to your California Finance Lender license should be reported on Schedule C-3.

**SCHEDULE C-3**  
**ANALYSIS OF INCOME RECEIVED FROM OTHER BUSINESS AND SOURCES**  
**FOR CALENDAR YEAR 2007**  
(Round to Nearest Dollar - Omit Cents)

**ALL OTHER BUSINESS AND SOURCES:**

1. Charges Earned or Collected .....	\$	0
2. Other Interest or Return on Investment .....		393047
3. Collection from Charged Off Accounts .....		0
4. Income from Credit Insurance .....		0
5. Other Insurance Commissions .....		0
6. Other Income ( <i>please explain below</i> ) .....		0
7. Total Income from All Other Business and Sources ( <i>sum of lines 1 thru 6 and must equal Schedule C-1, line 2</i> ) .....	\$	393047

**Please describe source of other income for line 6:**

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**CAUTION:** *Income reported on Lines 1 through 7 is only for income not related to your CFL license with Commissioner of Corporations. Any income earned related to your CFL license with Commissioner of Corporations must be reported on Schedule C-2. For guidelines on classification of receivables and income falling under the jurisdiction of Commissioner of Corporations under the CFL Law, please refer to Schedule C-3 of the attached INSTRUCTIONS.*

**SCHEDULE D**  
**SCHEDULE OF BROKERED LOANS**  
**FOR CALENDAR YEAR 2007**  
(Round to Nearest Dollar - Omit Cents)

**A. SCHEDULE OF CFL BROKERED LOANS** *(This section must be completed by all licensees who have brokered loans to any lender licensed under the California Finance Lenders Law)*

Name of Lender	Lender's License Number	Number of Loans Brokered	Principal Amount of Loans	Amount of Commissions Received
<b>LIST CONSUMER LOANS BROKERED ONLY:</b>				
1. _____	_____	_____	\$ _____	\$ _____
2. _____	_____	_____	_____	_____
3. _____	_____	_____	_____	_____
4. _____	_____	_____	_____	_____
5. _____	_____	_____	_____	_____
6. _____	_____	_____	_____	_____
7. _____	_____	_____	_____	_____
8. <b>Total Consumer Loans Brokered</b> (sum of lines 1 thru 7 and must equal Scheduling C-2, line 6, column 3) .....			\$ _____	\$ _____
<b>LIST COMMERCIAL LOANS BROKERED ONLY:</b>				
9. _____	_____	_____	\$ _____	\$ _____
10. _____	_____	_____	_____	_____
11. _____	_____	_____	_____	_____
12. _____	_____	_____	_____	_____
13. <b>Total Commercial Loans Brokered</b> (sum of lines 9 thru 12 and must equal Scheduling C-2, line 13) .....			\$ _____	\$ _____
14. <b>Total Loans Brokered</b> (sum of lines 8 and 13) .....			\$ _____	\$ _____

Describe the method of computing commissions and how commissions are paid (i.e., in advance, from loan proceeds, etc.). If commissions are prepaid, describe method of refunding commissions in the event a loan is not funded.

XX

**B. SCHEDULE OF OTHER BROKERED LOANS** *(This section must be completed by all licensees who have brokered loans to any lender not licensed under the California Finance Lenders Law)*

	Total Number of Loans Brokered	Total Principal Amount of Loans Brokered	Total Amount of Commissions Received
<b>TOTALS</b>	_____	\$ _____	\$ _____

State the name of the agency and your broker license number for authority to broker other loans.

**SCHEDULE E**  
**CALIFORNIA FINANCE LENDERS**  
**LOANS MADE OR REFINANCED DURING THE YEAR BY SIZE**  
**FOR CALENDAR YEAR 2007**  
(Round to Nearest Dollar - Omit Cents)

**CONSUMER LOANS ONLY**

Loans of	Number of Loans	Principal Amount
1. \$ 499 or Less .....	0	\$ 0
2. 500 to 1,999 .....	6	6150
3. 2,000 to 2,499 .....	4	8000
4. 2,500 to 4,999 .....	22289	57951400
5. 5,000 to 9,999 .....	14329	72719675
6. 10,000 or More .....	1762	18020000
7. <b>Total Consumer Loans Made (sum of lines 1 thru 6) . (A) .....</b>	<b>38390</b>	<b>\$ 148705225</b>

**COMMERCIAL LOANS ONLY**

8. \$ 5,000 or More .....	0	\$ 0
9. <b>Total Commercial Loans Made . (B) .....</b>	<b>0</b>	<b>\$ 0</b>
10. <b>Total Loans Made - All Categories (sum of lines 7 and 9) . (C) .....</b>	<b>38390</b>	<b>\$ 148705225</b>

**NOTE:** (A) Totals must equal Schedule F, line 27 and Schedule G, line 40.

(B) Totals must equal Schedule F, line 34 and Schedule G, line 49.

(C) Totals must equal Schedule F, line 35 and Schedule G, line 50.

**SCHEDULE F**  
**CALIFORNIA FINANCE LENDERS**  
**LOANS MADE OR REFINANCED DURING THE YEAR BY TYPE OF SECURITY**  
**FOR CALENDAR YEAR 2007**  
(Round to Nearest Dollar - Omit Cents)

**CONSUMER LOANS ONLY**

<u>Type of Security</u>	<u>Number of Loans</u>	<u>Principal Amount</u>
<b><u>Loans Under \$2,500</u></b>		
1. Unsecured .....	10	\$ 14150
2. Personal Property (household items) .....	0	0
3. Automobiles and Other Motor Vehicles .....	0	0
4. Wage Assignment .....	0	0
5. Other Security .....	0	0
6. Total Loans Made (sum of lines 1 thru 5) .....	10	\$ 14150
<b><u>Loans \$2,500 to \$4,999</u></b>		
7. Unsecured .....	22289	\$ 57951400
8. Personal Property (household items) .....	0	0
9. Automobiles and Other Motor Vehicles .....	0	0
10. Wage Assignment .....	0	0
11. Other Security .....	0	0
12. Total Loans Made (sum of lines 7 thru 11) .....	22289	\$ 57951400
<b><u>Loans \$5,000 to \$9,999</u></b>		
13. Unsecured .....	14329	\$ 72719675
14. Personal Property (household items) .....	0	0
15. Automobiles and Other Motor Vehicles .....	0	0
16. Wage Assignment .....	0	0
17. Real Property .....	0	0
18. Other Security .....	0	0
19. Total Loans Made (sum of lines 13 thru 18) .....	14329	\$ 72719675

**SCHEDULE F**  
**(Continuation)**  
**CALIFORNIA FINANCE LENDERS**  
**LOANS MADE OR REFINANCED DURING THE YEAR BY TYPE OF SECURITY**  
**FOR CALENDAR YEAR 2007**  
(Round to Nearest Dollar - Omit Cents)

**CONSUMER LOANS ONLY**

<u>Type of Security</u>	<u>Number of Loans</u>	<u>Principal Amount</u>
<b><u>Loans \$10,000 and Over</u></b>		
20. Unsecured .....	1762	\$ 18020000
21. Personal Property (household items) .....	0	0
22. Automobiles and Other Motor Vehicles .....	0	0
23. Wage Assignment .....	0	0
24. Real Property .....	0	0
25. Other Security .....	0	0
26. Total Loans Made (sum of lines 20 thru 25) .....	1762	\$ 18020000
27. Total Consumer Loans Made (sum of lines 6, 12, 19, & 26) . (A) .....	38390	\$ 148705225

**COMMERCIAL LOANS ONLY**

28. Unsecured .....	0	\$ 0
29. Personal Property .....	0	0
30. Automobiles and Other Motor Vehicles .....	0	0
31. Business Equipment .....	0	0
32. Real Property .....	0	0
33. Other Security .....	0	0
34. Total Commercial Loans Made (sum of lines 28 thru 33) . (B) .....	0	\$ 0
35. Total Loans Made - All Categories (sum of lines 27 and 34) . (C) .....	38390	\$ 148705225

**NOTE:** (A) Totals must equal Schedule E, line 7 and Schedule G, line 40.

(B) Totals must equal Schedule E, line 9 and Schedule G, line 49.

(C) Totals must equal Schedule E, line 10 and Schedule G, line 50.



**SCHEDULE G**  
**CALIFORNIA FINANCE LENDERS**  
**LOANS MADE OR REFINANCED DURING THE YEAR BY RATES CHARGES**  
**FOR CALENDAR YEAR 2007**  
(Round to Nearest Dollar - Omit Cents)

**CONSUMER LOANS ONLY**

	<u>Annualized Rate of Charge</u>	<u>Number of Loans</u>	<u>Principal Amount</u>
<b><u>Loans under \$2,500</u></b>			
1.	Step Rate: 2.5%, 2%, 1.5%, & 1% Per Month	0	\$ 0
	Alternate Rates:		
2.	1.6% Per Month .....	0	0
3.	Federal Reserve Bank Rate plus 10% .....	0	0
	Other Rates:		
4.	Up to 14.999 APR .....	0	0
5.	15.000 to 19.999 APR .....	0	0
6.	20.000 to 24.999 APR .....	0	0
7.	25.000 to 29.999 APR .....	0	0
8.	30.000 to 34.999 APR .....	0	0
9.	35.000 to 39.999 APR .....	8	12000
10.1	40.000 to 99.999 APR .....	2	2150
10.2	100.000 or More APR .....	0	0
11.	Variable Rates Based on Index .....	0	0
12.	Total Loans Made (sum of lines 1 thru 11) .....	10	\$ 14150
<b><u>Loans \$2,500 to \$4,999</u></b>			
13.	Up to 14.999 APR .....	0	\$ 0
14.	15.000 to 19.999 APR .....	0	0
15.	20.000 to 24.999 APR .....	1	2600
16.	25.000 to 29.999 APR .....	0	0
17.	30.000 to 34.999 APR .....	0	0
18.	35.000 to 39.999 APR .....	0	0
19.1	40.000 to 99.999 APR .....	22288	57948800
19.2	100.000 or More APR .....	0	0
20.	Variable Rates Based on Index .....	0	0
21.	Total Loans Made (sum of line 13 thru 20) .....	22289	\$ 57951400

**SCHEDULE G**  
**(Continuation)**  
**CALIFORNIA FINANCE LENDERS**  
**LOANS MADE OR REFINANCED DURING THE YEAR BY RATES CHARGES**  
**FOR CALENDAR YEAR 2007**  
(Round to Nearest Dollar - Omit Cents)

**CONSUMER LOANS ONLY**

	<u>Annualized Rate of Charge</u>	<u>Number of Loans</u>	<u>Principal Amount</u>
<b><u>Loans \$5,000 to \$9,999</u></b>			
22.	Up to 14.999 APR .....	0	\$ 0
23.	15.000 to 19.999 APR .....	0	0
24.	20.000 to 24.999 APR .....	8	40600
25.	25.000 to 29.999 APR .....	0	0
26.	30.000 to 34.999 APR .....	0	0
27.	35.000 to 39.999 APR .....	0	0
28.1	40.000 to 99.999 APR .....	14321	72679075
28.2	100.000 or More APR .....	0	0
29.	Variable Rates Based on Index .....	0	0
30.	Total Loans Made (sum of line 22 thru 29) .....	14329	\$ 72719675
<b><u>Loans \$10,000 and Over</u></b>			
31.	Up to 14.999 APR .....	0	\$ 0
32.	15.000 to 19.999 APR .....	0	0
33.	20.000 to 24.999 APR .....	139	1790000
34.	25.000 to 29.999 APR .....	0	0
35.	30.000 to 34.999 APR .....	242	2420000
36.	35.000 to 39.999 APR .....	1302	13020000
37.1	40.000 to 99.999 APR .....	79	790000
37.2	100.000 or More APR .....	0	0
38.	Variable Rates Based on Index .....	0	0
39.	Total Loans Made (sum of line 31 thru 38) .....	1762	\$ 18020000
40.	Total Consumer Loans Made (sum of lines 12, 21, 30, & 39) . (A) .....	38390	\$ 148705225

**NOTE:** (A) Totals must equal Schedule E, line 7 and Schedule F, line 27.

**SCHEDULE G**  
**(Continuation)**  
**CALIFORNIA FINANCE LENDERS**  
**LOANS MADE OR REFINANCED DURING THE YEAR BY RATES CHARGES**  
**FOR CALENDAR YEAR 2007**  
(Round to Nearest Dollar - Omit Cents)

**COMMERCIAL LOANS ONLY**

	Annualized Rate of Charge	Number of Loans	Principal Amount
41.	Up to 14.999 APR .....	0	\$ 0
42.	15.000 to 19.999 APR .....	0	0
43.	20.000 to 24.999 APR .....	0	0
44.	25.000 to 29.999 APR .....	0	0
45.	30.000 to 34.999 APR .....	0	0
46.	35.000 to 39.999 APR .....	0	0
47.1	40.000 to 99.999 APR .....	0	0
47.2	100.000 or More APR .....	0	0
48.	Variable Rates Based on Index .....	0	0
49.	<b>Total Commercial Loans Made (sum of lines 41 thru 48) . (B) .....</b>	0	\$ 0
50.	<b>Total Loans Made - All Categories (sum of lines 40 &amp; 49) . (C) .....</b>	38390	\$ 148705225

**NOTE: (B)** Totals must equal Schedule E, line 9 and Schedule F, line 34.

**(C)** Totals must equal Schedule E, line 10 and Schedule F, line 35.

**SCHEDULE H  
CREDIT INSURANCE  
GENERAL INFORMATION**

1. Give name(s) of insurance company(ies) underwriting your credit insurance.

Name: Not Applicable

Address: Not Applicable

2. Is (are) the insurance company(ies) described in Item 1. above a parent corporation, affiliated company, or in any other manner connected with the licensee reporting: Yes ☐ No ☐

If answer to Item 2 is *Yes*, please explain:

3. Credit insurance premiums charged per year per hundred dollars of initial indebtedness:

Single Premium	Credit Life	Joint Coverage
\$ 0	Personal Property	\$ 0
\$ 0	Real Property	\$ 0
	Credit Disability	
\$ 0	Personal Property	\$ 0
\$ 0	Real Property	\$ 0
	Credit Loss-of-Income	
\$ 0	Personal Property	\$ 0
\$ 0	Real Property	\$ 0

4. Is the credit insurance premium deducted from the loan proceeds? Yes ☐ No ☐

If the answer is *No*, please explain:

Not Applicable

5. Are the credit insurance premiums that have been collected from the borrowers remitted in total to the carrier? Yes ☐ No ☐

If the answer is *No*, please explain:

Not Applicable

6. What is the age limit to qualify for credit insurance?

	Minimum	Maximum
Credit Life	0	0
Credit Disability	0	0
Credit Loss-of-Income	0	0

7. Does the credit disability policy contain a "14-day" non-retroactive provision? Yes ☐ No ☐

If the answer is *No*, please explain:

Not Applicable

8. List exclusions from coverage, if any:

Not Applicable

**SCHEDULE I**  
**SALE OF LOANS TO INSTITUTIONAL INVESTORS AND LOANS SERVICED**  
**FOR CALENDAR YEAR 2007**  
(Round to Nearest Dollar - Omit Cents)

1. Loans Sold (Pursuant to Sections 22340, 22340.1, 22600 and 22600.1 Financial Code):

Report only those loans originated under your California Department of Corporations' CFL license(s), or purchased from an institutional lender, or another licensee pursuant to Division 9 of California Financial Code, and subsequently sold to institutional investors as defined in the California Financial Code.

<u>No. of Loans Sold</u>	<u>Dollar Value of Loans Sold</u>	<u>Dollar Amount of Loans Sold Retained for Servicing</u>	<u>Servicing Fees Earned</u>
149423	\$ 498130043	\$ 498130043	\$ 2890859

Are these loans sold to institutional investors? Yes ☐ No ☐

Did you sell any of those loans to affiliated companies? Yes ☐ No ☐

Are trust accounts established for those loans serviced? Yes ☐ No ☐

2. Loans Serviced (This would include all loans originated, purchased or sold):

Report all loans you service as of December 31, 2007

<u>Loan Type</u>	<u>Number of Loans</u>	<u>Balance</u>	<u>Servicing Fees Earned</u>
Real Estate Secured		\$	\$
Non-Real Estate Secured	181431	\$ 609249748	\$ 18126888

**SCHEDULE J**  
**OTHER BUSINESS ACTIVITIES AND COVERED LOANS**  
(Round to Nearest Dollar - Omit Cents)

**A. OTHER BUSINESS ACTIVITIES:**

This Schedule is to be completed on *any* activities conducted at the licensed location(s) in addition to the making and/or brokering of loans pursuant to your California Finance Lender licenses.

1. <u>Sale of Insurance Products</u>	<u>Insurer</u>	<u>Revenue</u>
Credit Life Insurance	Not Applicable	\$ 0
Credit Disability Insurance	Not Applicable	0
Credit Loss of Income Insurance	Not Applicable	0
Accidental Death & Dismemberment	Not Applicable	0
Personal Property Insurance	Not Applicable	0
Real Estate Loan Insurance	Not Applicable	0
Others ( <i>auto, whole life, etc.</i> )	Not Applicable	0

2. OTHER SERVICES PROVIDED (*Examples: loan servicing, leasing, automobile contracts, etc.*)

<u>Description of Services Provided</u>	<u>2007 Revenue</u>	<u>License Authority (If Applicable)</u>
None	\$ 0	Not Applicable

## 3. BUSINESS CONDUCTED PURSUANT TO THE COMMODITY BROKERS LAW OF 1990

(*Example: Sale and/or financing of precious metals or other commodities*)<sup>20</sup>

<u>Describe Activity</u>	<u>2007 Revenue</u>	<u>License Authority (If Applicable)</u>
None	\$ 0	Not Applicable

4. OTHER BUSINESS ACTIVITY CONDUCTED AT LICENSED LOCATION (*If not included in Parts 1, 2, or 3 above.*)

<u>Describe Activity</u>	<u>2007 Revenue</u>	<u>License Authority (If Applicable)</u>
None	\$ 0	Not Applicable

## 5. List any other licenses held by licensee issued by State of California departments or agencies:

<u>Name of License</u>	<u>Name of Agency</u>	<u>License No.</u>
None	Not Applicable	Not Applicable

**SCHEDULE J**  
**(Continuation)**  
**OTHER BUSINESS ACTIVITIES AND COVERED LOANS**  
(Round to Nearest Dollar - Omit Cents)

**B. COVERED LOANS:**

This section must be completed by those licensees who have made "covered loans" as defined in Section 4970(b)(1) of the Financial Code

<u>Number of Covered Loans</u>	<u>Principal Amount</u>
0	\$ 0

**SCHEDULE K**  
**DIRECTORY OF DIRECTORS, OFFICERS, BRANCH MANAGERS AND ANY PERSON OWNING OR**  
**CONTROLLING (directly or indirectly) 10% OR MORE INTEREST OR EQUITY SECURITIES**  
(Please Type or Print Clearly)

Name of Licensee: CashCall, Inc. CFL File No. 6038780

For updating the Department's licensee files, please complete the following directory for ALL directors, officers, branch managers and any person (as defined in Section 22008 of the California Financial Code) holding 10 percent or more of the outstanding interests if the licensee is a partnership or if the licensee is a corporation, directly or indirectly controlling 10 percent or more of the outstanding equity securities. If the person was required to be included in the initial application or in a subsequent report of a changes in personnel, the person should be included in this directory.

A self-designed form may be used to substitute this schedule if any licensee has more than 21 directors, officers, branch managers and any person holding 10 percent or more of the outstanding interests if the licensee is a partnership or if the licensee is a corporation, directly or indirectly controlling 10 percent or more of the outstanding equity securities. A self-designed form should contain at a minimum the following information.

In addition to this directory, please submit a Statement of Identity and Questionnaire (SIQ) for those individuals who did not submit the SIQ to the Department previously. The SIQ form is available at the Department's internet website at "[www.corp.ca.gov](http://www.corp.ca.gov)".

FULL NAME			POSITION HELD OR TO BE HELD	BUSINESS ADDRESS (Street, City, State & Zip Code)	DATE OF BIRTH	DRIVERS LICENSE NO. AND STATE
FIRST	MIDDLE	LAST				
John	Paul	Reddam	President	1600 South Douglass Road Anaheim, California 92806	07-23-55	C-0081122 California
Hilary	Elizabeth	Holland	Vice President	1600 South Douglass Road Anaheim, California 92806	02-12-71	A-1186870 California
Delbert	Orin	Meeks	CFO/Treasurer	1600 South Douglass Road Anaheim, California 92806	09-05-92	N-9476152 California
Louis	Anthony	Ochoa	Secretary	1600 South Douglass Road Anaheim, California 92806	02-08-63	N-9601637 California

CFL 812 (12/07)

23





**SECTION 1436 (CCR) COMPLIANCE REPORT**  
**CFLR Report on Non-Traditional, Adjustable Rate and Mortgage Loan Products**  
**Addendum to Annual Report Required under Section 22159(FC)**

COMPANY NAME: CashCall, Inc  
 LICENSE NUMBER: 6038780  
 CONTACT PERSON: Daniel Baren PHONE NO: 949-752-4608

1. During calendar year 2007, have you made or arranged non-traditional mortgage products or adjustable rate mortgage products as defined by the Guidance?

a. Made non-traditional mortgage products?	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
b. Arranged non-traditional mortgage products?	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
c. Made adjustable rate mortgage products?	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
d. Arranged adjustable rate mortgage products?	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>

If the answer is YES to any of the above, please complete items 2 through 4.

If the answer is NO to all questions, there is no need to complete items 2 through 4.

2. Please describe on a separate page how you have implemented the best practices and explain whether and how you have put into effect the following internal controls or procedures during the reporting period:

- Adopted processes, policies and procedures to ensure compliance with the Guidance.
- Implemented a consumer complaint process to resolve consumer complaints involving loans covered by the Guidance.
- Educated employees and agents to help them understand how to apply the best practices.
- Designated a compliance officer to ensure compliance with the Guidance.

Compliance Officer's Name: \_\_\_\_\_

Address: \_\_\_\_\_

Phone: \_\_\_\_\_ E-mail: \_\_\_\_\_

3. Consumer complaint information:

a. Number of consumer complaints received	_____
b. Number of consumer complaints resolved	_____
c. Number of consumer complaints unresolved	_____
d. Number of Workout Arrangements* used for resolved complaints	_____

4. If any non-traditional mortgage loans or adjustable rate mortgage loans subject to the Guidance were made or arranged, the finance company shall submit information regarding these loan products on the form entitled "Non-traditional, Adjustable Rate and Mortgage Loan Survey (Rev. 8/07)". This form is available on the Department's website at [www.corp.ca.gov](http://www.corp.ca.gov).

\*Workout Arrangement shall mean a modified or converted loan product with predictable payment requirements to help the financially-stressed borrower.

STATE OF CALIFORNIA -- BUSINESS, TRANSPORTATION AND HOUSING AGENCY

ARNOLD SCHWARZENEGGER, Governor

**DEPARTMENT OF CORPORATIONS***California's Investment and Financing Authority*

Los Angeles, California

IN REPLY REFER TO:  
FILE NO. ALPHA

February 1, 2008

**TO: ALL LICENSEES PURSUANT TO THE CALIFORNIA FINANCE  
LENDERS LAW**

The attached addendum to the annual report requesting information on non-traditional mortgage products and adjustable rate mortgage products and the Report on Non-traditional, Adjustable Rate and Mortgage Loan Products **must be completed and returned to the Department of Corporations by March 15, 2008. These reports must be filed by every licensee even if no business was conducted under the authority of the license in 2007.**

**NEW REPORTING REQUIREMENTS FOR 2007 DATA****Report on Nontraditional, Adjustable Rate and Mortgage Loan Products**

California Code of Regulations Title 10 Section 1436 effective on January 1, 2008 requires every licensee to implement best practices to manage loan product risk on a continuous basis. These best practices shall include practices set forth in the Guidance on Nontraditional Mortgage Product Risks published on November 14, 2006 by the Conference of State Bank Supervisors (CSBS) and the American Association of Residential Mortgage Regulators (AARMR) and the Statement on Subprime Mortgage Lending published on July 17, 2007 by CSBS, AARMR and the National Association of Consumer Credit Administrators. Both publications, collectively referred to herein as the "Guidance," are available on the Department's website at [www.corp.ca.gov](http://www.corp.ca.gov). Best practices" shall mean lawful processes, policies, and procedures to manage risks associated with use of nontraditional mortgage products and adjustable rate mortgage products as defined and prescribed by the Guidance.

In a separate written document, submitted as an addendum to its annual report required under Section 22159 of the Financial Code, every licensee shall state whether it made or arranged nontraditional mortgage products and adjustable rate mortgage products, as defined by the Guidance, during the reporting period covered by the annual report. If any such loans were made or arranged, the licensee shall also explain how it has implemented best practices and explain whether and how it has put into effect the following internal controls or procedures during the reporting period: adopted processes, policies and procedures to ensure compliance with the Guidance; designated a compliance officer

- Securities • Franchises • Off-Exchange Commodities • Investment and Financial Services •
- Independent Escrows • Consumer and Commercial Finance Lending • Residential Mortgage Lending •

SACRAMENTO 95814-4032  
1515 K STREET, SUITE 200  
(916) 445-7205

SAN FRANCISCO 94105-2980  
71 STEVENSON STREET, SUITE 2100  
(415) 972-8559

LOS ANGELES 90013-2344  
320 WEST 4<sup>TH</sup> STREET, SUITE 750  
(213) 576-7500

SAN DIEGO 92101-3697  
1350 FRONT STREET, ROOM 2034  
(619) 525-4233

1-866-ASK-CORP

[www.corp.ca.gov](http://www.corp.ca.gov)

1-866-275-2677

CONFIDENTIAL  
CASHCALL 008910

(including contact information of that officer) to ensure compliance with the Guidance; implemented a consumer complaint process to resolve consumer complaints involving loans covered by the Guidance; and educated employees and agents to help them understand how to apply the best practices. In addition, the licensee shall indicate the number of any consumer complaints it received during the reporting period regarding loans that are subject to the Guidance, including the number of resolved complaints and unresolved complaints and the number of workout arrangements used for resolved complaints. "Workout arrangement" shall mean a modified or converted loan product with predictable payment requirements to help the financially-stressed borrower. Attached for your convenience is a suggested format for reporting this data.

If any nontraditional mortgage loans or adjustable rate mortgage loans subject to the Guidance were made or arranged, the licensee shall also submit information regarding those loan products on the form entitled Non-traditional, Adjustable Rate and Mortgage Loan Survey (Rev. 8/07) (Survey.) The Survey and the definitions of these products are contained in an attachment to the report. The Survey is also available on the Department's website at [www.corp.ca.gov](http://www.corp.ca.gov).

#### **WHERE AND WHEN TO FILE**

The report is due **March 15, 2008** at:

DEPARTMENT OF CORPORATIONS  
320 WEST 4<sup>TH</sup> STREET, SUITE 750  
LOS ANGELES, CA 90013-2344

Information regarding the report may be obtained from:

1-866-ASK-CORP or 1-866 275-2677

# EXHIBIT E

## DEPARTMENT OF CORPORATIONS



PLEASE READ THE ATTACHED INSTRUCTIONS CAREFULLY BEFORE COMPLETING THIS REPORT. All licensees must complete the report even if no business was conducted. See INSTRUCTIONS if no business was conducted.

Sent  
3/12/09

To: COMMISSIONER OF CORPORATIONS, STATE OF CALIFORNIA

ANNUAL REPORT  
LICENSEES ENGAGED IN BUSINESS UNDER THE  
CALIFORNIA FINANCE LENDERS LAW  
(Finance Lender and Broker)  
For the Year Ended December 31, 2008

SCHEDULE A  
GENERAL INFORMATION

1. Name of Licensee (as shown on the license)  
and Address of Main Office:

6038780 CFL 1  
CASHCALL, INC.  
1600 S. DOUGLASS ROAD  
ANAHEIM, CA 92806

2. Business Phone No.: ( 949 ) 752-4600 Fax No.: ( 949 ) 225-4600  
Website Address: www.cashcall.com  
E-mail Address: \_\_\_\_\_

3. Address Change. If you wish to change the address of your place of business, you must submit a Change of Address Form to the Department of Corporations. The request for the change of address must be received by the Department 10 days prior to the date of your move or an administrative penalty of \$500 will be assessed. The Change of Address Form can be found on the Department's website at www.corp.ca.gov.

**SCHEDULE A**  
**(Continuation)**  
**GENERAL INFORMATION**

4. Office Hours: 7:00 a.m. - 6:00 p.m.

5. License Number for Main Office: 6038780

*(If the report covers more than one location, the license number and address of each location must be listed on a separate schedule attached to this report.)*

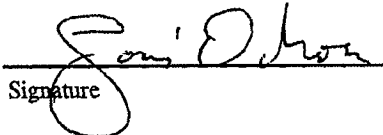
**CAUTION: THE REPORT WILL BE RETURNED IF THIS SCHEDULE IS NOT COMPLETED**

6. Licensed Authority:    A. ☒ Lender Only  
                                  B. ☐ Lender and Broker  
                                  C. ☐ Broker Only

7. Total number of licenses held at December 31, 2008: 1

8. Type of Organization:    ☒ Corporation  
                                  ☐ Partnership  
                                  ☐ Individual  
                                  ☐ Limited Liability Company  
                                  ☐ Other (specify) \_\_\_\_\_

9. Person preparing this report:

  
Signature

Louis Ochoa, Secretary  
Name & Title (Please type or print)

Phone No.: ( 949 ) 752-4605

Fax No.:    ( 949 ) 225-4605

## VERIFICATION

STATE OF California )  
 ) SS.  
 COUNTY OF Orange )

I, the undersigned, state: That I am an officer or general partner or the sole proprietor or have a position of similar proprietary interest of  
 (Insert name as shown on your license)

CashCall, Inc.

and I have read and signed this report and the documents filed herewith and know the contents thereof. I certify that the financial statements contained therein were prepared in conformity with generally accepted accounting principles consistently applied, and the statistical information supplied is to the best of my knowledge true and exact.

Additional certification of licensees with two or more licensed locations:

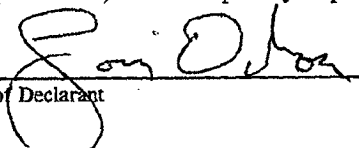
By signing this report I hereby authorize the Commissioner to contact our main office regarding issues and concerns for all branches of the company.

Complete Section (A) OR Section (B) as appropriate.

**(A) IF LOCATED IN CALIFORNIA OR A STATE WHICH PERMITS A DECLARATION UNDER PENALTY OF PERJURY, COMPLETE THIS SECTION. NOTARIZATION IS NOT NECESSARY.**

Date March, 2009 at Anaheim, CA  
 (Month / Day) (Year) (City) (State)

I certify (or declare) under the penalty of perjury that the foregoing is true and correct.

  
 Signature of Declarant

Louis Ochoa, Secretary  
 Name and Title (Please type or print)

**(B) IF LOCATED OUTSIDE CALIFORNIA AND IN A STATE WHICH DOES NOT PERMIT A DECLARATION UNDER PENALTY OF PERJURY, COMPLETE THIS SECTION. NOTARIZATION IS REQUIRED.**

Date \_\_\_\_\_, \_\_\_\_\_  
 (Month / Day) (Year)  
 at \_\_\_\_\_  
 (City)  
 \_\_\_\_\_  
 (State)

Signature of Affiant

\_\_\_\_\_  
 Name and Title (Please type or print)

Subscribed and sworn to before me on

\_\_\_\_\_, \_\_\_\_\_  
 (Month / Day) (Year)

(SEAL)

\_\_\_\_\_  
 Notary Public in and for said County and State



## TABLE OF SCHEDULES TO BE COMPLETED

The schedules in this report must be completed in accordance with the following licensing authority and instructions under the California Finance Lenders Law (CFL):

A. If you are licensed as a **CFL LENDER**, the following schedules must be completed:

SCHEDULE	PAGE	SCHEDULE	PAGE
A	1 & 2	E	13
VERIFICATION	3	F	14 & 15
B-1	5 & 6	G	16, 17, & 18
B-1(a)	7	H	19
B-2	8	I	20
C-1	9	J	21 & 22
C-2	10	K	23 & 24
C-3	11	L	25 & 26

B. If you are licensed as a **CFL BROKER**, the following schedules must be completed:

SCHEDULE	PAGE	SCHEDULE	PAGE
A	1 & 2	C-2	10
VERIFICATION	3	C-3	11
B-1	5 & 6	D	12
B-1(a)	7	J	21 & 22
B-2	8	K	23 & 24
C-1	9	L	25 & 26

*\* If you are licensed as a CFL Broker only, discard Pages 13 through 20.*

C. If you are authorized to act as a **CFL LENDER and BROKER**, all schedules must be completed.

D. If any schedule is inapplicable, note "N/A" at the top of the schedule.

E. The verification on Page 3 must be completed on all reports.

**UNSIGNED OR INCOMPLETE VERIFICATION WILL NOT BE ACCEPTED**

F. If no business was conducted under the license(s) during the calendar year 2008, only pages 1 through 11, 23, 24 and 25 need to be completed. The remaining pages need not be submitted. "No business" means no loan was made, refinanced, or brokered in 2008, and no loan payment or broker fee was received in 2008. Also a statement must be completed at the bottom of the page 3 VERIFICATION stating that "No business was conducted under the license(s) during the calendar year 2008."

G. Your annual assessment is based on the gross income reported from activities conducted under your California Finance Lenders Law (Schedule C-1, Statement of Income and Expense, Page 9, Line 1). Income earned from other state or federal licenses, activities not requiring a license, or activities conducted pursuant to licenses of other agencies should be reported on Schedule C-1, Page 9, Line 2.

H. For the purposes of completing the 2008 Annual Report, all income derived from loans originated under the Personal Property Broker, Consumer Finance Lender, and/or Commercial Finance Lender Laws should be treated as income earned under the California Finance Lenders Law.

**SCHEDULE B-1**  
**BALANCE SHEET**  
**AS OF DECEMBER 31, 2008**  
(Round to Nearest Dollar - Omit Cents)

Name of Licensee: CashCall, Inc.CFL File No. 6038780**ASSETS**

1. Cash .....	\$ 6,017,303
2. Investments .....	275,000
3. CFL Loans Receivables ( <i>must equal Schedule B-2, line 6</i> ) .....	30,250,865
4. Other Receivables ( <i>must equal Schedule B-2, line 14</i> ) .....	0
5. Reserves and Withholds by Banks and Finance Companies .....	0
6. Fixed Assets (Less: Accumulated Depreciation \$ 9,535,394 ) .....	18,794,210
7. Prepaid Expenses and Deferred Charges .....	920,607
8. Commissions Receivable .....	0
9. Other Assets .....	61,013,871
10. Total Assets ( <i>sum of lines 1 thru 9 and must equal line 22</i> ) .....	<u>\$107,736,462</u>

**LIABILITIES AND NET WORTH**

11. Loans & Notes Payable from Third Parties .....	\$ 49,031,623
12. Loans & Notes Payable from Parents & Affiliates .....	41,259,801
13. Bonds, Debentures, and Certificates of Indebtedness .....	0
14. Accounts Payable .....	9,758,638
15. Dealers Reserves and Withholds .....	0
16. Accrued Taxes Other Than Income Tax .....	26,335
17. Reserve for Income Taxes .....	0
18. Credit Insurance Premiums Due Insurer .....	0
19. Other Liabilities and Accruals .....	1,982,020
20. Total Liabilities ( <i>sum of lines 11 thru 19</i> ) .....	<u>\$ 102,058,417</u>
21. Net Worth ( <i>line 10 less line 20 and must equal Schedule B-1(a), line 10, 13, or 14</i> ) .....	<u>\$ 5,678,045</u>
22. Total Liabilities and Net Worth ( <i>add lines 20 &amp; 21 and must equal line 10</i> ) .....	<u>\$ 107,736,462</u>

**NOTE:** CFL stands for California Finance Lenders.

**Fixed Assets** include land, building, equipment, furniture & fixtures, automobiles, and leasehold improvement, less accumulated depreciation.

SCHEDULE B-1  
(Continuation)  
REQUEST FOR CONFIDENTIAL TREATMENT

Name of Licensee (as shown on the license): CashCall, Inc.

CFL File Number: 6038780

PURSUANT TO SECTION 22159(a) OF THE FINANCIAL CODE, I REQUEST CONFIDENTIAL TREATMENT OF THE BALANCE SHEET. THE LICENSEE QUALIFIES FOR CONFIDENTIAL TREATMENT OF THE BALANCE SHEET AS A:

(CHECK ONE)

SOLE PROPRIETOR

☐

"NONPUBLICLY TRADED PERSON" (persons with securities owned by 35 or fewer individuals)

☒

By:

*Signature of Declarant*

Printed Name: Louis Ochoa

Position: Secretary

**Caution:** This section must be completed and be signed by an authorized person, if confidential treatment of the balance sheet is requested.

**SCHEDULE B-1(a)**  
**CALCULATION OF NET WORTH**  
**AS OF DECEMBER 31, 2008**  
(Round to Nearest Dollar - Omit Cents)

Name of Licensee: CashCall, Inc.CFL File No. 6038780**FOR CORPORATION ONLY:**

1. Common Stock .....	\$	<u>3,000,000</u>
2. Preferred Stock .....		<u>0</u>
3. Paid In Capital in Excess of Par .....		<u>19,039,540</u>
4. Less: Treasury Stock, Donated Stock, etc. ....	(	<u>0</u> )
5. Total Capital (sum of lines 1 thru 4) .....	\$	<u>22,039,540</u>
6. Retained Earnings @ 01/01/08 .....	\$	<u>(13,645,626)</u>
7. Adjustments to Retained Earnings .....		<u>(2,998,374)</u>
8. Net Income or Loss (from Schedule C-1, line 23) .....		<u>272,505</u>
9. Retained Earnings @ 12/31/08 (sum of lines 6 thru 8) .....		<u>(16,361,495)</u>
10. Total Net Worth (sum of lines 5 and 9 and must equal Schedule B-1, line 21) .....	\$	<u><u>5,678,045</u></u>

**FOR PARTNERSHIP ONLY:**

## 11. Partnership Capital Accounts:

<u>Name (General Partners)</u>	<u>Percentage</u>	<u>Amount</u>
_____	_____	\$ _____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

12. Limited Partners (total) .....

13. Total Net Worth (sum of lines 11 and 12 and must equal Schedule B-1, line 21) .....

\$                     **FOR INDIVIDUALS, TRUSTEES, AND OTHERS:**14. Net Worth of Individuals, Trustees, and Others (enter balance from  
Schedule B-1, line 21) .....\$

**SCHEDULE B-2**  
**ANALYSIS OF LOANS AND RECEIVABLES OUTSTANDING**  
**AS OF DECEMBER 31, 2008**  
(Round to Nearest Dollar - Omit Cents)

<b><u>CALIFORNIA FINANCE LENDERS LOANS:</u></b>	<b>(A)</b>	<b><u>Aggregate Balance</u></b>
1. Consumer Loans .....	\$	66,123,183
2. Commercial Loans .....		0
3. Subtotal (sum of lines 1 and 2) .....	\$	66,123,183
4. Less: Unearned Pre-computed Charges .....	(	0)
5. Less: Allowance for Bad Debts .....	(	35,872,318)
6. Net California Finance Lenders Loans Receivables (sum of lines 3 thru 5 and must equal Schedule B-1, line 3) .....	\$	30,250,865

<b><u>OTHER RECEIVABLES NOT SUBJECT TO CFL LICENSING REQUIREMENTS OF COMMISSIONER OF CORPORATIONS:</u></b>	<b>(B)</b>	<b><u>Aggregate Balance</u></b>
7. Sales Contracts .....	\$	0
8. Leases (True leases) .....		0
9. Factoring .....		0
10. Others .....		0
11. Subtotal (sum of lines 7 and 10) .....	\$	0
12. Less: Unearned Pre-computed Charges .....	(	0)
13. Less: Allowance for Bad Debts .....	(	0)
14. Net Other Receivables (sum of lines 11 thru 13 and must equal Schedule B-1, line 4) .....	\$	0

**NOTE:**

(A) May include outstanding receivables originated under the Personal Property Broker, Consumer Finance Lender, and Commercial Finance Lender licenses.

(B) See Schedule B-2 of INSTRUCTIONS on classification of receivables.

**SCHEDULE C-1**  
**STATEMENT OF INCOME AND EXPENSES**  
**FOR CALENDAR YEAR 2008**  
(Round to Nearest Dollar - Omit Cents)

**INCOME**

1. Gross Income from CFL Loans and CFL Brokered Loans (from Schedule C-2, line 16) . <b>REPORT ONLY CFL GROSS INCOME ON THIS LINE</b> . . . . \$	80,931,008
2. Gross Income from All Other Business and Sources (from Schedule C-3, line 7) . . . . .	236,536
3. <b>Total Gross Income</b> (sum of lines 1 and 2) . . . . . \$	<u>81,167,544</u>

**EXPENSES**

4. Advertising and Promotion . . . . . \$	5,697,298
5. Professional Audit and Accounting Services . . . . .	580,024
6. Insurance and Bond Premiums . . . . .	2,288,004
7. Legal Services and Expenses . . . . .	5,546,190
8. Occupancy Expenses . . . . .	3,285,322
9. Provision for Bad Debt Allowance . . . . .	7,093,792
10. Salaries and Bonuses: Employees . . . . .	30,822,638
11. Salaries and Bonuses: Owners, Partners, Executives . . . . .	825,000
12. Depreciation . . . . .	3,679,399
13. License Fees and Taxes . . . . .	178,171
14. Telephone and Utilities . . . . .	1,198,992
15. Travel . . . . .	224,279
16. Other Expenses . . . . .	12,152,941
17. <b>Total Expenses before Interest and Income Taxes</b> (sum of lines 4 thru 16) . . . . . \$	<u>73,572,050</u>
18. <b>Income or (loss) before Interest and Income Taxes</b> (line 3 less line 17) . . . . . \$	<u>7,595,494</u>
19. Interest Paid to Bona Fide Third Parties . . . . .	4,839,272
20. Interest Paid to Parent Company and Affiliates . . . . .	2,475,588
21. <b>Income or (Loss) before Income Taxes</b> (subtract lines 19 and 20 from line 18) . . . . . \$	<u>280,634</u>
22. Provision for Income Taxes . . . . .	8,129
23. <b>Net Income or (Loss)</b> (line 21 less line 22) . (A) . . . . . \$	<u>272,505</u>

**NOTE:** (A) If the licensee is incorporated, NET INCOME OR LOSS balance must agree with Schedule B-1(a), line 8.

**SCHEDULE C-2**  
**ANALYSIS OF INCOME RECEIVED FROM CFL LENDERS AND BROKERS LOANS**  
**FOR CALENDAR YEAR 2008**  
(Round to Nearest Dollar - Omit Cents)

	Loans Under \$2,500 (Column 1)	Loans of \$2,500 & Over (Column 2)	Total (Column 3)
<b><u>CFL LENDERS AND BROKERS LOANS:</u></b>			
<b><u>CONSUMER LOANS:</u></b>			
1. Charges Earned or Collected from loans .....	\$ 229,131	\$ 25,017,562	\$ 25,246,693
2. Collection from Charged Off Accounts .			
3. Income from Credit Insurance .....			
4. Other Insurance Commissions .....			
5. Administrative Fees (Loan Fees Charged by Lenders) .....	95,000	725,731	820,731
6. Commissions from Brokering CFL Consumer Loans (from Schedule D, line 8) .....			
7. Other income and servicing income		54,863,584	54,863,584
8. Total Consumer Loans Income (sum of lines 1 thru 7) .....	\$	\$	\$ 80,931,008

**COMMERCIAL LOANS:**

9. Charges Earned or Collected from Loans .....	\$ 0
10. Collection from Charged Off Accounts .....	0
11. Income from Credit Insurance .....	0
12. Other Insurance Commissions .....	0
13. Commissions from Brokering CFL Commercial Loans (from Schedule D, line 13) .....	0
14. Other Income .....	0
15. Total Commercial Loan Income (sum of lines 9 thru 14) .....	\$ 0
16. Total Gross Income from CFL Loans and CFL Brokered Loans (sum of lines 8 Column 3 & 15 and must equal Schedule C-1, line 1) .....	\$ 80,931,008

**CAUTION:** The income reported on lines 1 through 16 is for income relating to your California Finance Lender license. It may include income attributable to loans made under the Personal Property Broker, Consumer Finance Lender, and Commercial Finance Lender Laws prior to July 1, 1995. It must be accurately reported. The total income reported will be the basis for the computation of your assessment to renew your license(s) for the coming fiscal year. Income not relating to your California Finance Lender license should be reported on Schedule C-3.

**SCHEDULE C-3**  
**ANALYSIS OF INCOME RECEIVED FROM OTHER BUSINESS AND SOURCES**  
**FOR CALENDAR YEAR 2008**  
(Round to Nearest Dollar - Omit Cents)

**ALL OTHER BUSINESS AND SOURCES:**

1. Charges Earned or Collected . . . . .	\$	0
2. Other Interest or Return on Investment . . . . .		236,536
3. Collection from Charged Off Accounts . . . . .		0
4. Income from Credit Insurance . . . . .		0
5. Other Insurance Commissions . . . . .		0
6. Other Income ( <i>please explain below</i> ) . . . . .		0
7. Total Income from All Other Business and Sources ( <i>sum of</i> <i>lines 1 thru 6 and must equal Schedule C-1, line 2</i> ) . . . . .	\$	236,536

Please describe source of other income for line 6:

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**CAUTION:** *Income reported on Lines 1 through 7 is only for income not related to your CFL license with Commissioner of Corporations. Any income earned related to your CFL license with Commissioner of Corporations must be reported on Schedule C-2. For guidelines on classification of receivables and income falling under the jurisdiction of Commissioner of Corporations under the CFL Law, please refer to Schedule C-3 of the attached INSTRUCTIONS.*





**SCHEDULE E**  
**CALIFORNIA FINANCE LENDERS**  
**LOANS MADE OR REFINANCED DURING THE YEAR BY SIZE**  
**FOR CALENDAR YEAR 2008**  
(Round to Nearest Dollar - Omit Cents)

**CONSUMER LOANS ONLY**

Loans of	Number of Loans	Principal Amount
1. \$ 499 or Less .....	0	\$ 0
2. 500 to 1,999 .....	0	0
3. 2,000 to 2,499 .....	0	0
4. 2,500 to 4,999 .....	6,166	16,031,600
5. 5,000 to 9,999 .....	2,720	13,804,000
6. 10,000 or More .....	122	1,220,000
7. Total Consumer Loans Made (sum of lines 1 thru 6) . (A) .....	9,008	\$ 31,055,600

**COMMERCIAL LOANS ONLY**

8. \$ 5,000 or More .....	0	\$ 0
9. Total Commercial Loans Made . (B) .....	0	\$ 0
10. Total Loans Made - All Categories (sum of lines 7 and 9) . (C) .....	9,008	\$ 31,055,600

**NOTE:** (A) Totals must equal Schedule F, line 27 and Schedule G, line 40.

(B) Totals must equal Schedule F, line 34 and Schedule G, line 49.

(C) Totals must equal Schedule F, line 35 and Schedule G, line 50.

**SCHEDULE F**  
**CALIFORNIA FINANCE LENDERS**  
**LOANS MADE OR REFINANCED DURING THE YEAR BY TYPE OF SECURITY**  
**FOR CALENDAR YEAR 2008**  
(Round to Nearest Dollar - Omit Cents)

**CONSUMER LOANS ONLY**

<u>Type of Security</u>	<u>Number of Loans</u>	<u>Principal Amount</u>
<b><u>Loans Under \$2,500</u></b>		
1. Unsecured .....	0	\$ 0
2. Personal Property ( <i>household items</i> ) .....	0	0
3. Automobiles and Other Motor Vehicles .....	0	0
4. Wage Assignment .....	0	0
5. Other Security .....	0	0
6. Total Loans Made ( <i>sum of lines 1 thru 5</i> ) .....	0	\$ 0
<b><u>Loans \$2,500 to \$4,999</u></b>		
7. Unsecured .....	6,166	\$ 16,031,600
8. Personal Property ( <i>household items</i> ) .....	0	0
9. Automobiles and Other Motor Vehicles .....	0	0
10. Wage Assignment .....	0	0
11. Other Security .....	0	0
12. Total Loans Made ( <i>sum of lines 7 thru 11</i> ) .....	6,166	\$ 16,031,600
<b><u>Loans \$5,000 to \$9,999</u></b>		
13. Unsecured .....	2,720	\$ 13,804,000
14. Personal Property ( <i>household items</i> ) .....	0	0
15. Automobiles and Other Motor Vehicles .....	0	0
16. Wage Assignment .....	0	0
17. Real Property .....	0	0
18. Other Security .....	0	0
19. Total Loans Made ( <i>sum of lines 13 thru 18</i> ) .....	2,720	\$ 13,804,000

**SCHEDULE F**

(Continuation)

**CALIFORNIA FINANCE LENDERS****LOANS MADE OR REFINANCED DURING THE YEAR BY TYPE OF SECURITY  
FOR CALENDAR YEAR 2008**

(Round to Nearest Dollar - Omit Cents)

**CONSUMER LOANS ONLY**

<u>Type of Security</u>	<u>Number of Loans</u>	<u>Principal Amount</u>
<b><u>Loans \$10,000 and Over</u></b>		
20. Unsecured .....	122	\$ 1,220,000
21. Personal Property (household items) .....	0	0
22. Automobiles and Other Motor Vehicles .....	0	0
23. Wage Assignment .....	0	0
24. Real Property .....	0	0
25. Other Security .....	0	0
26. Total Loans Made (sum of lines 20 thru 25) .....	122	\$ 1,220,000
27. Total Consumer Loans Made (sum of lines 6, 12, 19, & 26) . (A) .....	9,008	\$ 31,055,600

**COMMERCIAL LOANS ONLY**

28. Unsecured .....	0	\$ 0
29. Personal Property .....	0	0
30. Automobiles and Other Motor Vehicles .....	0	0
31. Business Equipment .....	0	0
32. Real Property .....	0	0
33. Other Security .....	0	0
34. Total Commercial Loans Made (sum of lines 28 thru 33) . (B) .....	0	\$ 0
35. Total Loans Made - All Categories (sum of lines 27 and 34) . (C) .....	9,008	\$ 31,055,600

**NOTE:** (A) Totals must equal Schedule E, line 7 and Schedule G, line 40.

(B) Totals must equal Schedule E, line 9 and Schedule G, line 49.

(C) Totals must equal Schedule E, line 10 and Schedule G, line 50.

**SCHEDULE G**  
**CALIFORNIA FINANCE LENDERS**  
**LOANS MADE OR REFINANCED DURING THE YEAR BY RATES CHARGES**  
**FOR CALENDAR YEAR 2008**  
(Round to Nearest Dollar - Omit Cents)

**CONSUMER LOANS ONLY**

	<u>Annualized Rate of Charge</u>	<u>Number of Loans</u>	<u>Principal Amount</u>
<b><u>Loans under \$2,500</u></b>			
1.	Step Rate: 2.5%, 2%, 1.5%, & 1% Per Month	0	\$ 0
	Alternate Rates:		
2.	1.6% Per Month .....	0	0
3.	Federal Reserve Bank Rate plus 10% .....	0	0
	Other Rates:		
4.	Up to 14.999      APR .....	0	0
5.	15.000 to 19.999   APR .....	0	0
6.	20.000 to 24.999   APR .....	0	0
7.	25.000 to 29.999   APR .....	0	0
8.	30.000 to 34.999   APR .....	0	0
9.	35.000 to 39.999   APR .....	0	0
10.1	40.000 to 99.999   APR .....	0	0
10.2	100.000 or More   APR .....	0	0
11.	Variable Rates Based on Index .....	0	0
12.	Total Loans Made (sum of lines 1 thru 11) .....	0	\$ 0
<b><u>Loans \$2,500 to \$4,999</u></b>			
13.	Up to 14.999      APR .....	0	\$ 0
14.	15.000 to 19.999   APR .....	0	0
15.	20.000 to 24.999   APR .....	3	7,800
16.	25.000 to 29.999   APR .....	0	0
17.	30.000 to 34.999   APR .....	0	0
18.	35.000 to 39.999   APR .....	0	0
19.1	40.000 to 99.999   APR .....	6,163	16,023,800
19.2	100.000 or More   APR .....	0	0
20.	Variable Rates Based on Index .....	0	0
21.	Total Loans Made (sum of line 13 thru 20) .....	6,166	\$ 16,031,600

**SCHEDULE G**  
**(Continuation)**  
**CALIFORNIA FINANCE LENDERS**  
**LOANS MADE OR REFINANCED DURING THE YEAR BY RATES CHARGES**  
**FOR CALENDAR YEAR 2008**  
(Round to Nearest Dollar - Omit Cents)

**CONSUMER LOANS ONLY**

Annualized Rate of Charge			Number of Loans	Principal Amount
<b>Loans \$5,000 to \$9,999</b>				
22.	Up to 14.999	APR . . . . .	0	\$ 0
23.	15.000 to 19.999	APR . . . . .	0	0
24.	20.000 to 24.999	APR . . . . .	3	15,225
25.	25.000 to 29.999	APR . . . . .	0	0
26.	30.000 to 34.999	APR . . . . .	0	0
27.	35.000 to 39.999	APR . . . . .	0	0
28.1	40.000 to 99.999	APR . . . . .	2,717	13,788,775
28.2	100.000 or More	APR . . . . .	0	0
29.	Variable Rates Based on Index . . . . .		0	0
30.	Total Loans Made (sum of line 22 thru 29) . . . .		2,720	\$ 13,804,000
<b>Loans \$10,000 and Over</b>				
31.	Up to 14.999	APR . . . . .	0	\$ 0
32.	15.000 to 19.999	APR . . . . .	0	0
33.	20.000 to 24.999	APR . . . . .	0	0
34.	25.000 to 29.999	APR . . . . .	40	400,000
35.	30.000 to 34.999	APR . . . . .	0	0
36.	35.000 to 39.999	APR . . . . .	0	0
37.1	40.000 to 99.999	APR . . . . .	82	820,000
37.2	100.000 or More	APR . . . . .	0	0
38.	Variable Rates Based on Index . . . . .		0	0
39.	Total Loans Made (sum of line 31 thru 38) . . . .		122	\$ 1,220,000
40.	Total Consumer Loans Made (sum of lines 12, 21, 30, & 39) . (A) . . . . .		9,008	\$ 31,055,600

**NOTE:** (A) Totals must equal Schedule E, line 7 and Schedule F, line 27.

**SCHEDULE G**  
**(Continuation)**  
**CALIFORNIA FINANCE LENDERS**  
**LOANS MADE OR REFINANCED DURING THE YEAR BY RATES CHARGES**  
**FOR CALENDAR YEAR 2008**  
(Round to Nearest Dollar - Omit Cents)

**COMMERCIAL LOANS ONLY**

	<u>Annualized Rate of Charge</u>		<u>Number of Loans</u>	<u>Principal Amount</u>
41.	Up to 14.999	APR . . . . .	0	\$ 0
42.	15.000 to 19.999	APR . . . . .	0	0
43.	20.000 to 24.999	APR . . . . .	0	0
44.	25.000 to 29.999	APR . . . . .	0	0
45.	30.000 to 34.999	APR . . . . .	0	0
46.	35.000 to 39.999	APR . . . . .	0	0
47.1	40.000 to 99.999	APR . . . . .	0	0
47.2	100.000 or More	APR . . . . .	0	0
48.	Variable Rates Based on Index . . . . .		0	0
49.	<b>Total Commercial Loans Made (sum of lines 41 thru 48) . (B) . . . . .</b>		0	\$ 0
50.	<b>Total Loans Made - All Categories (sum of lines 40 &amp; 49) . (C) . . . . .</b>		9,008	\$ 31,055,600

**NOTE:** (B) Totals must equal Schedule E, line 9 and Schedule F, line 34.

(C) Totals must equal Schedule E, line 10 and Schedule F, line 35.

**SCHEDULE H  
CREDIT INSURANCE  
GENERAL INFORMATION**

1. Give name(s) of insurance company(ies) underwriting your credit insurance.

Name: Not Applicable

Address: Not Applicable

2. Is (are) the insurance company(ies) described in Item 1 above a parent corporation, affiliated company, or in any other manner connected with the licensee reporting: Yes [ ] No [ ]

If answer to Item 2 is *Yes*, please explain:

3. Credit insurance premiums charged per year per hundred dollars of initial indebtedness:

Single Premium	Credit Life	Joint Coverage
\$ 0	Personal Property	\$ 0
\$ 0	Real Property	\$ 0
	Credit Disability	
\$ 0	Personal Property	\$ 0
\$ 0	Real Property	\$ 0
	Credit Loss-of-Income	
\$ 0	Personal Property	\$ 0
\$ 0	Real Property	\$ 0

4. Is the credit insurance premium deducted from the loan proceeds? Yes [ ] No [ ]

If the answer is *No*, please explain:

5. Are the credit insurance premiums that have been collected from the borrowers remitted in total to the carrier? Yes [ ] No [ ]

If the answer is *No*, please explain:

6. What is the age limit to qualify for credit insurance?

	Minimum	Maximum
Credit Life	0	0
Credit Disability	0	0
Credit Loss-of-Income	0	0

7. Does the credit disability policy contain a "14-day" non-retroactive provision? Yes [ ] No [ ]

If the answer is *No*, please explain:

8. List exclusions from coverage, if any:



## SCHEDULE I

**SALE OF LOANS TO INSTITUTIONAL INVESTORS AND LOANS SERVICED  
FOR CALENDAR YEAR 2008**

(Round to Nearest Dollar - Omit Cents)

1. Loans Sold (Pursuant to Sections 22340, 22340.1, 22600 and 22600.1 Financial Code):

Report only those loans originated under your California Department of Corporations' CFL license(s), or purchased from an institutional lender, or another licensee pursuant to Division 9 of California Financial Code, and subsequently sold to institutional investors as defined in the California Financial Code.

<u>No. of Loans Sold</u>	<u>Dollar Value of Loans Sold</u>	<u>Dollar Amount of Loans Sold Retained for Servicing</u>	<u>Servicing Fees Earned</u>
21,892	\$ 60,814,729	\$ 60,814,729	\$ 604,848
Are these loans sold to institutional investors?	yes		
Did you sell any of those loans to affiliated companies?	no		
Are trust accounts established for those loans serviced?	yes		

2. Loans Serviced Under the CFL License (This would include all loans originated, purchased or sold):

Report all loans you service as of December 31, 2008

<u>Loan Type</u>	<u>Number of Loans</u>	<u>Balance</u>	<u>Servicing Fees Earned</u>
Real Estate Secured	0	\$ 0	\$ 0
Non-Real Estate Secured	378,655	\$ 364,015,150	\$ 1,151,850

**SCHEDULE J**  
**OTHER BUSINESS ACTIVITIES AND COVERED LOANS**

(Round to Nearest Dollar - Omit Cents)

**A. OTHER BUSINESS ACTIVITIES:**

This Schedule is to be completed on *any* activities conducted at the licensed location(s) in addition to the making and/or brokering of loans pursuant to your California Finance Lender licenses.

1. <u>Sale of Insurance Products</u>	<u>Insurer</u>	<u>2008 Revenue</u>
Credit Life Insurance	N/A	\$ 0
Credit Disability Insurance	N/A	0
Credit Loss of Income Insurance	N/A	0
Accidental Death & Dismemberment	N/A	0
Personal Property Insurance	N/A	0
Real Estate Loan Insurance	N/A	0
Others (auto, whole life, etc.)	N/A	0

**2. OTHER SERVICES PROVIDED** (Examples: loan servicing, leasing, automobile contracts, etc.)

<u>Description of Services Provided</u>	<u>2008 Revenue</u>	<u>License Authority (If Applicable)</u>
None	\$ 0	N/A

**3. BUSINESS CONDUCTED PURSUANT TO THE COMMODITY BROKERS LAW OF 1990**

(Example: Sale and/or financing of precious metals or other commodities)

<u>Describe Activity</u>	<u>2008 Revenue</u>	<u>License Authority (If Applicable)</u>
None	\$ 0	N/A

**4. OTHER BUSINESS ACTIVITY CONDUCTED AT LICENSED LOCATION** (If not included in Parts 1, 2, or 3 above.)

<u>Describe Activity</u>	<u>2008 Revenue</u>	<u>License Authority (If Applicable)</u>
None	\$ 0	N/A

**5. List any other licenses held by licensee issued by State of California departments or agencies:**

<u>Name of License</u>	<u>Name of Agency</u>	<u>License No.</u>
None	0	N/A

**SCHEDULE J**  
**(Continuation)**  
**OTHER BUSINESS ACTIVITIES AND COVERED LOANS**  
(Round to Nearest Dollar - Omit Cents)

**B. COVERED LOANS:**

This section must be completed by those licensees who have made "covered loans" as defined in Section 4970(b)(1) of the Financial Code

<u>Number of Covered Loans</u>	<u>Principal Amount</u>
0	0
=	\$ =

**SCHEDULE K**  
**DIRECTORY OF DIRECTORS, OFFICERS, BRANCH MANAGERS AND ANY PERSON OWNING OR CONTROLLING (directly or indirectly) 10% OR MORE INTEREST OR EQUITY SECURITIES**

(Please Type or Print Clearly)

CashCall, Inc.

CFL File No. 17Q38780

For updating the Department's licensee files, please complete the following directory for ALL directors, officers, branch managers and any person (as defined in Section 22008 of the California Financial Code) holding 10 percent or more of the outstanding interests if the licensee is a partnership or if the licensee is a corporation, directly or indirectly controlling 10 percent or more of the outstanding equity securities. If the person was required to be included in the initial application or in a subsequent report of a changes in personnel, the person should be included in this directory.

A self-designed form may be used to substitute this schedule if any licensee has more than 21 directors, officers, branch managers and any person holding 10 percent or more of the outstanding interests if the licensee is a partnership or if the licensee is a corporation, directly or indirectly controlling 10 percent or more of the outstanding equity securities. A self-designed form should contain at a minimum the following information.

In addition to this directory, please submit a Statement of Identity and Questionnaire (SIQ) for those individuals who did not submit the SIQ to the Department previously. The SIQ form is available at the Department's internet website at [www.corp.ca.gov](http://www.corp.ca.gov).

[illegible]

**SCHEDULE K**  
**(Continuation)**  
**DIRECTORY OF OFFICERS, DIRECTORS, MANAGERS AND ANY PERSON OWNING OR**  
**CONTROLLING (directly or indirectly) 10% OR MORE INTEREST OR EQUITY SECURITIES**  
**(Please Type or Print Clearly)**

Name of Licensee: \_\_\_\_\_ CFL File No. \_\_\_\_\_

[illegible]

**SCHEDULE L**  
**CFL REPORT ON NON-TRADITIONAL, ADJUSTABLE RATE**  
**AND MORTGAGE LOAN PRODUCTS**

COMPANY NAME: CashCall, Inc.  
 LICENSE NUMBER: 6038780  
 CONTACT PERSON: Daniel Baren PHONE NO: 949-752-4605

1. During calendar year 2008, have you made or arranged non-traditional mortgage products or adjustable rate mortgage products as defined by the Guidance?

a. Made non-traditional mortgage products?	Yes [ <input type="checkbox"/> ]	No [ <input checked="" type="checkbox"/> ]
b. Arranged non-traditional mortgage products?	Yes [ <input type="checkbox"/> ]	No [ <input checked="" type="checkbox"/> ]
c. Made adjustable rate mortgage products?	Yes [ <input type="checkbox"/> ]	No [ <input checked="" type="checkbox"/> ]
d. Arranged adjustable rate mortgage products?	Yes [ <input type="checkbox"/> ]	No [ <input checked="" type="checkbox"/> ]

If the answer is YES to any of the above, please complete items 2 through 4.

If the answer is NO to all questions, there is no need to complete items 2 through 4.

2. Please describe on a separate page how you have implemented the best practices and explain whether and how you have put into effect the following internal controls or procedures during the reporting period:

- a. Adopted processes, policies and procedures to ensure compliance with the Guidance.
- b. Implemented a consumer complaint process to resolve consumer complaints involving loans covered by the Guidance.
- c. Educated employees and agents to help them understand how to apply the best practices.
- d. Designated a compliance officer to ensure compliance with the Guidance.

Compliance Officer's Name: \_\_\_\_\_

Address: \_\_\_\_\_

Phone: \_\_\_\_\_ E-mail: \_\_\_\_\_

3. Consumer complaint information:

a. Number of consumer complaints received	_____
b. Number of consumer complaints resolved	_____
c. Number of consumer complaints unresolved	_____
d. Number of Workout Arrangements* used for resolved complaints	_____

4. If any non-traditional mortgage loans or adjustable rate mortgage loans subject to the Guidance were made or arranged, the finance company shall submit information regarding these loan products on the form entitled "Non-traditional, Adjustable Rate and Mortgage Loan Survey". The survey form is provided on page 26 of the 2008 Annual Report Form.

\*Workout Arrangement shall mean a modified or converted loan product with predictable payment requirements to help the financially-stressed borrower.



Licensee information (to be completed by the report user)	
Department of Corporations license number:	
Licensee name:	
Person who prepared this report:	
Preparer's title:	
Telephone number:	
Email address:	

	Yes	No
1. Does your company differ from traditional insurance companies in the way it handles the following issues?		
(a) Use of multiple companies (yes)		
(b) Use of multiple companies (yes)		
(c) Use of multiple companies (yes)		
(d) Use of multiple companies (yes)		
(e) Use of multiple companies (yes)		
(f) Use of multiple companies (yes)		
(g) Use of multiple companies (yes)		
(h) Use of multiple companies (yes)		
(i) Use of multiple companies (yes)		
(j) Use of multiple companies (yes)		
(k) Use of multiple companies (yes)		
(l) Use of multiple companies (yes)		
(m) Use of multiple companies (yes)		
(n) Use of multiple companies (yes)		
(o) Use of multiple companies (yes)		
(p) Use of multiple companies (yes)		
(q) Use of multiple companies (yes)		
(r) Use of multiple companies (yes)		
(s) Use of multiple companies (yes)		
(t) Use of multiple companies (yes)		
(u) Use of multiple companies (yes)		
(v) Use of multiple companies (yes)		
(w) Use of multiple companies (yes)		
(x) Use of multiple companies (yes)		
(y) Use of multiple companies (yes)		
(z) Use of multiple companies (yes)		

<p>14. Please show the dollar volume of thousands and number of loans purchased as of December 31, 2008, and the dollar volume in thousands and number of loans sold as of the 27 month period ending December 31, 2008. Loans purchased include non traditional structure sales include those in 2008 sale year, applicable.</p>	<p>Required (Number of Loans)</p>	<p>Required (Dollar Amount)</p>	<p>Sold (Number of Loans)</p>	<p>Sold (Dollar Amount)</p>
<p>a. Interest-only Mortgage Loan</p>				
<p>b. Payment Option ARM</p>				
<p>c. Reduced Documentation</p>				
<p>d. Simultaneous Second-lien Loan</p>				
<p>e. Home Equity Line of Credit</p>				
<p>f. Covered Loans</p>				
<p>g. Adjustable Rate Mortgage Loans</p>				
<p>h. All Other Non Traditional (not including)</p>				

**SCHEDULE L**  
**(Continuation)**

a. Interest-only Mortgage Loan	A nontraditional mortgage on which, for a specified number of years (e.g., three or five years), the borrower is required to pay only the interest due on the loan during which time the rate may fluctuate or may be fixed. After the interest-only period, the rate may be fixed or fluctuate based on the prescribed index and payments include both principal and interest.
b. Payment Option ARM	A nontraditional mortgage that allows the borrower to choose from a number of different payment options. For example, each month, the borrower may choose a minimum payment option based on a "start" or introductory interest rate, an interest-only payment option based on the fully indexed interest rate, or a fully amortizing principal and interest payment option based on a 15-year or 30-year loan term, plus any required escrow payments. The minimum payment option can be less than the interest accruing on the loan, resulting in negative amortization. The interest-only option avoids negative amortization but does not provide for principal amortization. After a specified number of years, or if the loan reaches a certain negative amortization cap, the required monthly payment amount is recast to require payments that will fully amortize the outstanding balance over the remaining loan term.
c. Reduced Documentation	A loan feature that is commonly referred to as "low doc/no doc", "no income/no asset", "stated income" or "stated assets." For mortgage loans with this feature, an institution sets reduced or minimal documentation standards to substantiate the borrower's income and assets.
d. Simultaneous Second-lien Loan	A lending arrangement where either a closed-end second-lien or a home equity line of credit (HELOC) is originated simultaneously with the first lien mortgage loan, typically in lieu of a higher down payment.
e. Home Equity Line of Credit	An open-end loan, usually recorded as a second mortgage, that permits borrowers to obtain cash advances based on an approved line of credit.
f. Covered Loans	Covered loan (per 4970(F)(C)) - a consumer loan in which the original principal balance of the loan does not exceed the most current conforming loan limit for a single-family first mortgage loan established by Fannie Mae and where one of the following conditions are met: a) the APR at consummation will exceed by more than 8 percentage points the yield on Treasury securities having comparable maturity periods on the 15th day of the month immediately preceding the month in which the loan application is received or b) the total points and fees payable by the consumer at or before closing will exceed 6% of the total loan amount.
g. Adjustable Rate Mortgage Loans	An adjustable rate mortgage loan that has one or more of the following characteristics: (1) low initial payments based on a fixed introductory rate that expires after a short period and then adjusts to a variable index rate plus a margin for the remaining term of the loan; (2) very high or no limits on how much the payment amount or the interest rate may increase ("payment or rate caps") on reset dates; (3) limited or not documentation of borrower's income; (4) product features likely to result in frequent refinancing to maintain an affordable monthly payment; and/or (5) substantial prepayment penalties and/or prepayment penalties that extend beyond the initial fixed interest rate period. As an example of number (1) above, ARMs known as "2/28" loans feature a fixed rate for two years and then adjust to a variable rate for the remaining 28 years, and the spread between the initial fixed interest rate and the fully indexed interest rate in effect at loan origination typically ranges from 300 to 600 basis points.

CFL 812 (12/08)